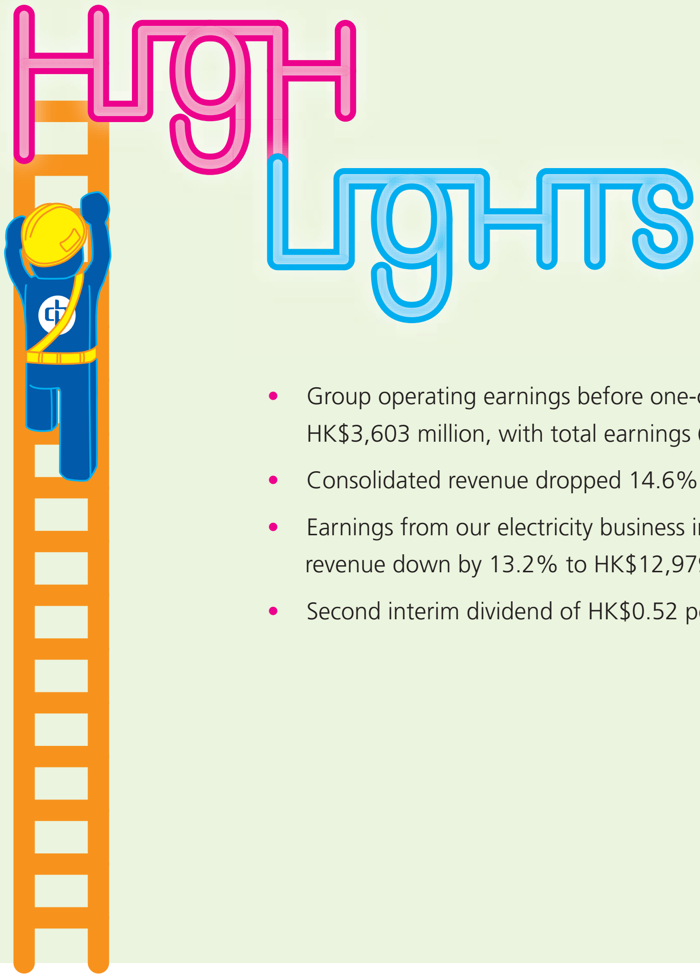
INTERIM REPORT 2009

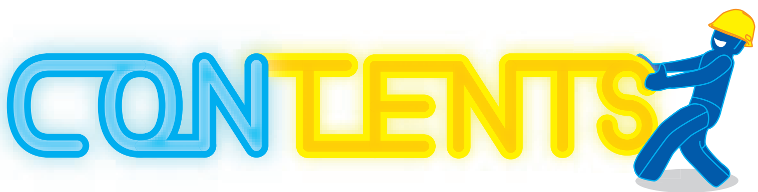
CLP 中電

CLP's vision is to be a leading investor-operator in the Asia-Pacific electric power sector.



Highlights

- Group operating earnings before one-off items for the first half of 2009 decreased 32.5% to HK$3,603 million, with total earnings (including one-off items) falling by 42.3% to HK$3,235 million.
- Consolidated revenue dropped 14.6% to HK$23,503 million.
- Earnings from our electricity business in Hong Kong decreased by 27.6% to HK$2,925 million, with revenue down by 13.2% to HK$12,979 million, primarily due to the reduction of the permitted return.
- Second interim dividend of HK$0.52 per share.



Contents

Financial Highlights

Total earnings down 42.3% whilst interim dividends maintained at 2008 level

	Six months ended 30 June		Increase / (Decrease)
	2009	2008	%
For the period *(in HK$ million)*			
Revenue			
Electricity business in Hong Kong (HK)	**12,979**	14,951	(13.2)
Energy business outside HK	**10,434**	12,458	(16.2)
Others	**90**	125	
Total	**23,503**	27,534	(14.6)
Earnings			
Electricity business in HK	**2,925**	4,040	(27.6)
Other investments / operations	**906**	1,475	(38.6)
Unallocated net finance costs	**(11)**	(1)	
Unallocated Group expenses	**(217)**	(176)	
Operating earnings	**3,603**	5,338	(32.5)
Other income	**–**	423	
Other one-off items of TRUenergy	**(22)**	(151)	
Provision for Solar Systems	**(346)**	–	
Total earnings	**3,235**	5,610	(42.3)
Net cash inflow from operating activities	**5,399**	6,697	(19.4)
Per share (in HK$)			
Earnings per share	**1.34**	2.33	(42.3)
Dividends per share			
First interim	**0.52**	0.52	
Second interim	**0.52**	0.52	
Total interim dividends	**1.04**	1.04	
Ratio			
Interest cover[1] (times)	**7**	8	
	30 June 2009	31 December 2008	
At balance sheet date *(in HK$ million)*			
Total assets, including leased assets	**142,234**	132,831	7.1
Total borrowings	**33,382**	26,696	25.0
Obligations under finance leases	**21,570**	21,765	(0.9)
Shareholders' funds	**65,813**	63,017	4.4
Per share (in HK$)			
Shareholders' funds per share	**27.35**	26.19	4.4
Ratios			
Total debt to total capital[2] (%)	**33.6**	29.7	
Net debt to total capital[3] (%)	**32.0**	29.1	
Price / Book value[4] (times)	**2**	2	

Notes:

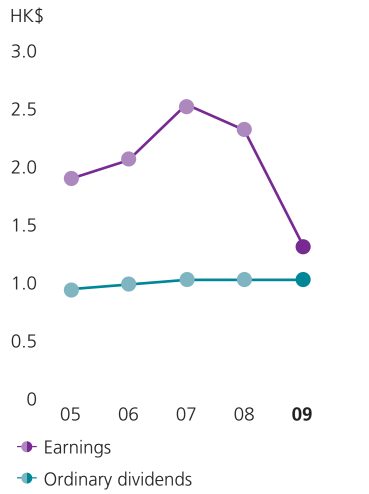
1 Interest cover = Profit before income tax and interest / (Interest charges + capitalised interest)

2 Total debt to total capital = Debt / (Equity + debt). Debt excludes obligations under finance leases.

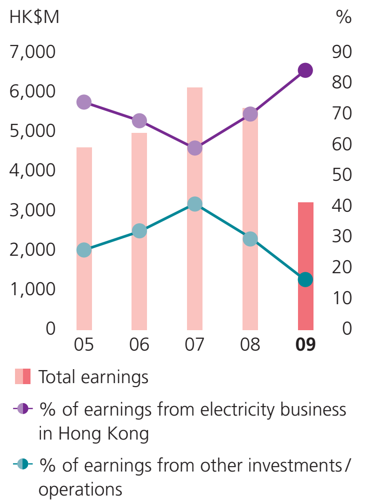
3 Net debt to total capital = Net debt / (Equity + net debt). Net debt = Debt - bank balances, cash and other liquid funds.

4 Price / Book value = Closing share price on the last trading day of the period / Shareholders' funds per share

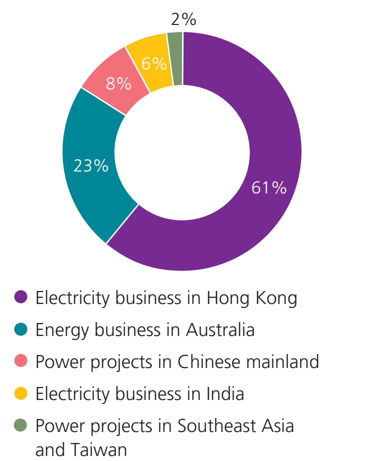
Earnings and Dividends per Share (First 6 months)



Total Earnings (First 6 months)



Total Assets at 30 June 2009



Dear Shareholders,

I am pleased to present our Interim Report for the six months to 30 June 2009.

Financial Results for the Six Months Period

The Group's operating earnings for the first half of 2009 were HK$3,603 million, a decline of 32.5% as compared with the corresponding period in 2008. This was mainly due to the reduced rate of permitted return under the new Scheme of Control (SoC) in Hong Kong effective from 1 October 2008. The Group's total earnings, after a provision for CLP's investment in Solar Systems in Australia, were HK$3,235 million, representing a decrease of 42.3% against the previous period.

Despite the fall in earnings, the CLP Group's financial position remains strong, reflecting a prudent approach to the management of CLP's financial resources, cash flows and balance sheet in line with the longstanding policy of the Board. One measure of the resilience of CLP's overall position is our credit ratings. Despite the financial turmoil which started in 2008 and the generally depressed economic conditions, all ratings of the Group's major entities remain at investment grade, enhancing our position in Hong Kong and overseas business activities, including fund raising, investment and new business opportunities. CLP Holdings' own credit ratings, for example, have remained unchanged since April 2008, notwithstanding the substantial deterioration in the global economic climate which we have all witnessed over the past months.

Clearly, the decline in the Group's earnings during the first half of 2009, as compared to the corresponding period in the previous year, is not welcome news. Nonetheless, I believe that in difficult economic and market conditions, the Group as a whole has performed well.

Our business has been impacted by global economic trends and developments such as, for example, a broad slowdown, and even in places a temporary reversal, of the growth in electricity demand. However, whilst there may be some common factors and links, the five markets in which the CLP Group is present, namely, Hong Kong, Chinese mainland, Australia, Southeast Asia and India all have individual characteristics which strongly influence both current operating performance as well as future prospects.

These matters are described in more detail later in this Interim Report. In this Chairman's Statement, I wish to highlight some of the particular factors which bear upon the performances of each of our major business streams. I also want to outline the scale and nature of the investment opportunities that lie before us, as I believe that each of our markets presents potentially attractive opportunities for the further growth and development of CLP's presence, even if at all times we must maintain a disciplined approach to new investment.

Hong Kong

2009 will see the first full year effect of the significant reduction in shareholder earnings from our Hong Kong electricity business, resulting from the cut in permitted return under the SoC, by which that business is regulated. This lies behind the substantial fall in earnings from this business to HK$2,925 million, as against HK$4,040 million in the first six months of 2008, when our business was still operating under the previous SoC.

Shareholders will have expected, and will readily understand, this fall in operating earnings. However, looking ahead, I am confident that our Hong Kong electricity business will remain at the centre of the Group's activities and will continue to offer opportunities for value enhancing investment. For example, the Development Plan for 2008 to 2013, approved by Government as part of the new SoC, contemplates substantial investments in generation, power systems, customer services and other supporting facilities in order to enhance supply quality and reliability, as well as providing for demand created by infrastructure development projects. Moreover, our participation in the implementation of the Memorandum of Understanding (MOU) signed in August 2008 between the Central People's Government and the Government of the Hong Kong SAR on the continued supply of natural gas and nuclear energy to Hong Kong from the Mainland involves not only arrangements for long term fuel and energy supplies for our business, but also provides an opportunity for CLP to participate in the necessary infrastructure. This includes the liquefied natural gas (LNG) receiving terminal in Shenzhen in which CLP aims to take a significant, albeit minority, shareholding.

Chinese Mainland

The performance of our investments in the Chinese mainland during the first half of 2009 was disappointing, with a loss of HK$97 million, contrasting with earnings of HK$34 million for the same period in 2008.

The electricity generation sector in the Mainland has seen unstable and generally unfavourable operating conditions in recent times. The global economic downturn has led to reduced electricity demand and generation. In the case of coal-fired generation in regions such as Guangxi, this has been exacerbated by a surplus of hydro power due to high rainfall. Volatile coal prices and restrictions on the ability of generators to pass on fuel prices to their offtakers have also aggravated the difficult operating environment. Although there has been a significant reduction in coal prices compared to the high levels seen during 2008, the tariff adjustments allowed by the PRC authorities have still not allowed us and our fellow Mainland electricity generators to recover the full impact of increased fuel costs.

Taking a broader view, I remain optimistic that the Mainland's underlying economic strength will see a gradual return to electricity demand growth in the coming months and that the relevant authorities will work to restore market stability through properly safeguarding the legitimate interests of electricity generators and continuing to promote the ongoing increase in generating capacity which the Mainland will require.

Part of this growth will come through the broad expansion in China's nuclear energy sector. Our strong and longstanding relationship with China Guangdong Nuclear Power Holding Co. (CGNPC) and our successful collaboration in the development and operation of the Mainland's first nuclear power station, Daya Bay, provide CLP with perhaps a unique opportunity amongst external investors, to participate actively in the growth of commercial nuclear power generation in the Mainland in the coming decades.

Australia

Shareholders will have noted that the strong focus by the Board and management on improved business operations and disciplines within TRUenergy, our electricity generation and gas and electricity retail business in Australia, contributed to a significant improvement in the earnings from that business in 2008. While the overall improvements in operating performance have been largely maintained, with first half earnings of HK$204 million against HK$115 million for the corresponding period in 2008, the delay in commercial operation of the Tallawarra plant in January, together with lower electricity pool prices and an increase in bad debt provision for retail customers, have resulted in first half earnings slightly below plan.

I remain concerned that the quality of the TRUenergy business and the successful outcome of the initiatives taken by management to reduce operating costs and enhance earnings continue to be overshadowed by the Australian Federal Government's proposal to introduce a Carbon Pollution Reduction Scheme (CPRS), even before agreement has been reached on a wider global accord on measures needed to tackle the threat of climate change.

The impact of the CPRS is discussed in this Interim Report (at page 12 and in the notes to the financial statements at page 33). For my part, I wish to emphasise that CLP supports and welcomes practical, fair and well thought out proposals to respond to the impact on mankind of catastrophic climate change. Our own actions, including our substantial commitment to renewable energy investment, as part of our Climate Vision 2050, speak loudly and convincingly to that commitment. However, it seems to us that the CPRS, if passed in its current form, represents neither a practical, fair nor well thought out scheme to promote a smooth and effective transition from coal-fired generation in Australia towards lower or zero carbon emitting forms of generation.

Although revisions to the draft CPRS proposed earlier in the year addressed concerns from other stakeholders, no meaningful attempt has yet been made by the Federal Government to address its potential and substantial value impact on brown coal electricity generators, such as TRUenergy with our Yallourn Power Station (which alone provides 5% of Australia's total electricity output and 21% of the output for Victoria). This impact has far reaching implications for Australia's future electricity supply reliability and security. A poorly designed emissions trading scheme with inadequate adjustment assistance for existing power generators erodes the ability of incumbent industry participants to play a major and effective role in making the investment necessary to take Australia along the path to cleaner power generation. With the uncertainty surrounding the CPRS, we are already seeing a significant negative impact on the generation sector. This includes cuts in expenditure on long term maintenance and capital investment, difficulties in securing long term debt funding, a growing inability to enter into forward contracts for the sale of electricity from brown coal generation and a decline in investors' appetite, especially amongst international investors such as ourselves, to participate in Australia's electricity sector.

CLP, particularly through our colleagues at TRUenergy, has been a vigorous and informed participant in the ongoing debate in Australia about a future carbon emissions reduction regime. At times, we have felt that the debate has not properly reflected an appreciation, or even a willingness to appreciate, the economic consequences of radical policy steps. Even so, we believe that common sense should and must prevail, so that a CPRS can move forward on a basis which will not only enable the underlying policy goal of substantial reductions in carbon emissions to be achieved, an objective we all share, but also on terms which allow electricity generators to play a vital and substantial role in lowering Australia's carbon footprint, whilst maintaining the adequacy and reliability of electricity supply.

Solar Systems

Solar Systems, the solar technology development company in Australia in which CLP holds a 20% equity stake, has had difficulty raising further capital to enable the continuous development and eventual commercialisation of its solar technology. We believe that Solar Systems' technology shows technical promise. However, Solar Systems' fund raising efforts have taken place in a very challenging financial market, particularly for start-up solar companies facing the difficulties of obtaining financing for large scale projects, uncertain valuations and increased competition from established solar companies, who have reduced their margins in response to the recent demand slowdown.

Given the general uncertainty on the availability of financing for solar investments in the current market, and our Company's fundamental strengths as an investor and operator of projects, we do not believe that it is justifiable for CLP to continue funding a technology business without an additional strategic or financial partner to share the ongoing development risks. Therefore, in accordance with our prudent approach towards our financial accounts, we have decided to make a provision for the investment in Solar Systems resulting in a net loss to the Group of HK$346 million.

Notwithstanding this provision, we remain confident that good solar project opportunities will be realised when appropriate government policies are in place. We will however take a very cautious approach towards future technology investment opportunities.

Southeast Asia

Earnings from our investments in Southeast Asia and Taiwan increased substantially in the first six months of 2009, rising to HK$244 million from HK$75 million in the corresponding period in 2008.

The Ho-Ping Power Station in Taiwan, in which CLP holds an effective 20% stake, was a major contributor to this increase in earnings. This was due to higher recovery of coal price increases under the offtake agreement with Taiwan Power Company, as well as our ability to maintain a sufficient supply of coal at reasonable market prices.

Although the economic slowdown may defer programmes to increase electricity generating capacity in markets such as Taiwan, I believe that over the medium to longer term the continuing economic development of Southeast Asia will provide a steady stream of investment opportunities. For example, through OneEnergy we are currently looking at two greenfield coal-fired power station projects in Vietnam, as well as renewable projects in Thailand. These opportunities may be a reflection of an emerging, but discernible, trend in the region for an expansion of greenfield coal-fired projects to meet base load electricity demand in rapidly developing economies, whereas markets in more developed economies may now have the political will and financial capability to promote increased renewable energy capacity and to accommodate the generally higher generating costs of renewable energy sources.

India

Our underlying financial performance in India remained steady. Operating earnings in the first six months of 2009 were HK$159 million compared to HK$263 million in the previous year. The fall of HK$104 million is mainly attributable to the depreciation of the average Indian rupee exchange rate against the Hong Kong dollar by 17.6% and lower interest income and cost incurred on the development of the wind and Jhajjar projects.

I am pleased to report that construction of our 1,320MW project in Jhajjar started in January 2009 and is proceeding satisfactorily. In addition, the first phase (50.4MW) of our Samana wind project was commissioned in March 2009 with a further 82.4MW of wind energy at Saundatti due for commissioning in February 2010.

The major focus for our India business must be on the completion, on time and within budget, of the Jhajjar project. At the same time, there are significant opportunities available across the electricity industry, including further wind power projects and transmission investments (reflecting India's urgent need to strengthen its transmission grid).

With regard to conventional power generation, whilst we remain interested in increasing our participation in gas-fired generation beyond our existing GPEC Power Station, this depends upon a stable, long term gas supply arrangement coming into place. The actual growth of coal-fired generating capacity in India has been lagging well behind the Indian Government's plans and objectives for the sector. As our Jhajjar project demonstrates, we remain keen to grow our investment in coal-fired generation in India whenever the overall project structure is sufficiently well constructed to give us reasonable confidence that our investments will generate value for our shareholders.

Meeting shareholders before our Annual General Meeting

Climate Change

The end of this year will see the United Nations Climate Change Conference taking place in Copenhagen. Whether or not an agreement will actually be reached at Copenhagen seems uncertain, but there can be little doubt that the future will bring further strengthening and broadening of international and national frameworks and regulatory structures to lower global carbon emissions. The electricity generation sector presently produces around 40% of total global CO_2 emissions. It is clear that no meaningful attempt can be made to reduce carbon emissions without a move towards lower carbon emitting generation and the involvement of the developing economies of the Asia-Pacific region in which CLP itself is a significant player.

CLP will be joining the Copenhagen Conference through our participation in the World Business Council for Sustainable Development which brings an informed business and industry voice to the inter-governmental discussions. I am pleased to note that not only does CLP make a contribution to the debate on this critical issue for the future of our industry, our region and indeed our planet as a whole, but we also make a material contribution through the substantial investments that we have been making in renewable energy. This Interim Report records our progress in the past six months in expanding our wind energy portfolio in Australia, Chinese mainland and India. We are now amongst the largest external investors in the wind power sectors of both India and China – with both the capability and willingness to do more, in line with our "Climate Vision 2050" – our goal of a 75% cut in the carbon emissions intensity of our generating portfolio by 2050 and meaningful reductions, measured by a series of intermediate milestones, to mark our progress along this trajectory.

As at 30 June 2009, our total renewable energy portfolio involved investments in 30 operating and committed projects, with a total capacity of approximately 1,200 equity MW, representing about 9% of our total generating capacity. In 2004 when "Our Manifesto on Air Quality & Climate Change" was published, CLP's investments in all renewable energy totalled just over 100 equity MW (which was approximately 1% of our then generating portfolio). This shows the significant progress that we have already made. A successful outcome to the Copenhagen Conference will be one which encourages and allows us to continue along this path by ensuring that our investments rest on stable, predictable and long term international and national legal and regulatory structures.

The past six months have seen challenging operating conditions for CLP, as they have for so many of our business counterparts, whether in the electricity sector or elsewhere. We have tackled the challenges of the past months squarely and effectively. We have done our utmost to mitigate the downside impact on our business. Above all, we remain well-positioned and well-prepared to exploit the opportunities available to us across our various business streams.

The Hon. Sir Michael Kadoorie
Hong Kong, 18 August 2009

Our Investments as at 30 June 2009

Hong Kong Investments

Equity Interest	
100%	**CLP Power Hong Kong Limited (CLP Power Hong Kong)[1]** CLP Power Hong Kong owns and operates the transmission and distribution system which includes: • 554 km of 400kV lines, 1,409 km of 132kV lines, 60 km of 33kV lines and 11,460 km of 11kV lines • 57,568 MVA transformers and 214 primary and 13,000 secondary substations in operation
40%	**Castle Peak Power Company Limited (CAPCO)[1], 6,908MW of installed generating capacity** CAPCO owns and CLP Power Hong Kong operates: **Black Point Power Station (2,500MW)** • One of the world's largest gas-fired power stations comprising eight combined-cycle turbines of 312.5MW each **Castle Peak Power Station (4,108MW)** • Comprising four coal-fired units of 350MW each and another four units of 677MW each • Two of the 677MW units are capable of burning gas as backup fuel. All units can burn oil as a backup fuel **Penny's Bay Power Station (300MW)** • Three diesel-fired gas turbine units of 100MW each

Note (1): CLP Power Hong Kong purchases its power from CAPCO, PSDC and Guangdong Daya Bay Nuclear Power Station. These sources of power amount to a total capacity of 8,888MW available to serve the Hong Kong market.

Australia Investments Gross / Equity MW

Equity Interest	
100%	**TRUenergy 3,046 / 3,046MW** TRUenergy is an integrated generation and retail electricity and gas business in Victoria, South Australia (SA), New South Wales (NSW), Queensland, Tasmania and the Australian Capital Territory, comprising: • 1,480MW coal-fired **Yallourn Power Station** and brown coal mine in Victoria • 180MW gas-fired **Hallett Power Station** in SA • Ecogen long-term hedge agreement that allows TRUenergy to purchase up to 966MW gas-fired capacity • 420MW gas-fired **Tallawarra Power Station** in NSW • 12 petajoule **Iona Gas Storage facility** in Victoria • 1.27 million business and residential electricity and gas customer accounts • 20% stake in **Solar Systems**, a developer of concentrated photovoltaic solar technology • Project agreement for 154MW solar power station in northern Victoria • 30% stake in **Petratherm Paralana geothermal project** • 5.14% equity stake in **Eastern Star Gas** • Direct investment in **Upstream Gas Tenements** in Queensland
50%	**Roaring 40s Renewable Energy Pty Ltd (Roaring 40s) 206 / 87MW[2]** Roaring 40s is a 50:50 joint venture partnership with Hydro Tasmania and owns: • 100% of the 65MW Woolnorth Bluff Point and 75MW Studland Bay wind farms in Tasmania • 50% interest in the 66MW Cathedral Rocks wind farm in SA

Note (2): The 87 equity MW attributed to CLP, through its 50% equity interest in Roaring 40s, takes into account varying equity interests held by Roaring 40s in the generating assets included in the 206 gross MW.

Southeast Asia and Taiwan Investments Gross / Equity MW

Equity Interest	
50%	**OneEnergy Limited (OneEnergy) 8,586 / 832MW[3]** A 50:50 strategic joint venture with Mitsubishi Corporation of Japan, which currently owns: (a) 22.4% interest in **Electricity Generating Public Company Limited** (EGCO) in Thailand (CLP also has a 2.15% direct interest in EGCO). EGCO owns: • REGCO and KEGCO gas-fired combined-cycle power stations in Thailand (2,056MW) which it also operates • 50% interest in the operating 1,434MW BLCP coal-fired power station in Thailand • 50% interest in the operating 1,510MW Kaeng Khoi 2 combined-cycle gas turbine power station in Thailand • 25% interest in the 1,087MW Nam Theun 2 hydro project under construction in Laos • 26% interest in the 503MW Quezon Power coal-fired power station in The Philippines • 322MW out of a total of 676MW in a portfolio of small power projects in Thailand and The Philippines (b) 40% interest in **Ho-Ping Power Company** (HPC). HPC owns the 1,320MW coal-fired Ho-Ping Power Station in Taiwan. Operation is by a separate joint venture, with the same shareholdings, and OneEnergy management leadership

Note (3): The 832 equity MW attributed to CLP, through its 50% equity interest in OneEnergy and its 2.15% direct interest in EGCO, takes into account that OneEnergy and CLP indirectly hold varying equity interests in the generating assets included in the 8,586 gross MW.

Our Investments as at 30 June 2009

Equity Interest	Chinese Mainland Investments Gross / Equity MW
25%	**Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) 1,968 / 492MW** GNPJVC constructed and operates Guangdong Daya Bay Nuclear Power Station (GNPS) at Daya Bay (大亞灣). GNPS is equipped with two 984MW Pressurised Water Reactors incorporating equipment imported from France and the United Kingdom. 70% of electricity generated is supplied to Hong Kong, with the remaining 30% sold to Guangdong Province (廣東省)
49%	**Hong Kong Pumped Storage Development Company, Limited (PSDC) 1,200 / 600MW** PSDC may use half of the 1,200MW pumped storage capacity of Phase 1 of the Guangzhou Pumped Storage Power Station until 2034
30%	**CSEC Guohua International Power Company Limited (CSEC Guohua) 7,620 / 1,327MW[(4)]** CSEC Guohua holds interests in five coal-fired power stations: • Beijing Yire in Beijing (北京) (100% interest / 400MW capacity) • Panshan in Tianjin (天津) (65% / 1,000MW) • Sanhe I and II in Hebei Province (河北省) (55% / 1,300MW) • Suizhong I and Suizhong II, under construction, in Liaoning Province (遼寧省) (50% / 3,600MW) • Zhungeer II and III in Inner Mongolia Autonomous Region (內蒙古自治區) (65% / 1,320MW)
49%	**CLP Guohua Shenmu Power Company Limited (Shenmu) 210 / 103MW[(5)]** Shenmu owns and operates Shenmu Power Station (210MW) in Shaanxi Province (陝西省)
49%	**Guohua Resourceful (Rongcheng) Wind Power Generation Co. Ltd. (Rongcheng Wind) 49 / 24MW** Rongcheng Wind is located in Shandong Province (山東省) and has a capacity of 48.8MW. It was commissioned in 2008
49%	**Guohua Resourceful (Dongying Hekou) Wind Power Generation Co. Ltd. (Dongying Hekou Wind) 50 / 24MW** Dongying Hekou Wind is located in Shandong Province and has a capacity of 49.5MW. It is scheduled for commissioning by third quarter of 2009
49%	**Guohua Resourceful (Lijin) Wind Power Generation Co. Ltd. (Lijin Wind) 50 / 24MW** Lijin Wind is located in Shandong Province and has a capacity of 49.5MW. It is scheduled for commissioning by fourth quarter of 2009
49%	**Guohua Resourceful (Zhanhua) Wind Power Generation Co. Ltd. (Zhanhua Wind) 50 / 24MW** Zhanhua Wind is located in Shandong Province and has a capacity of 49.5MW. It is scheduled for commissioning by third quarter of 2009
70%	**Guizhou CLP Power Company Limited (Guizhou CLP Power) 600 / 420MW** Guizhou CLP Power owns Anshun II Power Station (600MW) in Guizhou Province (貴州省), supplying electricity to the Guizhou provincial power grid and, indirectly, to Guangdong Province
29.4%	**Shandong Zhonghua Power Company, Ltd. (SZPC) 3,060 / 900MW** SZPC owns four coal-fired power stations, Shiheng I and II (totalling 1,260MW), Liaocheng (1,200MW) and Heze II (600MW) in Shandong Province
70%	**CLP Guangxi Fangchenggang Power Company Limited (Fangchenggang) 1,260 / 882MW** Fangchenggang owns and operates two 630MW supercritical coal-fired units at Fangchenggang (防城港), Guangxi (廣西)
84.9%	**Huaiji Hydropower Stations (Huaiji Hydro) 125 / 106MW** 12 small hydro power stations in Huaiji County (懷集縣) and Guangning County (廣寧縣), Guangdong Province
100%	**Dali Yang_er Hydropower Development Co., Ltd. (Yang_er Hydro) 50 / 50MW** Yang_er Hydro is in Yangbi County (漾濞縣) of Dali City (大理市), Yunnan Province (雲南省). It is under construction and expected to achieve commercial operation by third quarter of 2009

Note (4): The 1,327 equity MW attributed to CLP, through its 30% equity interest in CSEC Guohua, takes into account that CSEC Guohua holds varying equity interests in the generating assets included in the 7,620 gross MW.

Note (5): One unit of Shenmu had completed capacity upgrade modification to increase the nameplate rating from 100MW to 110MW and thus the total installed capacity was increased from 200MW to 210MW.

Chinese Mainland Investments Gross / Equity MW

Equity Interest	
45%	**HNEEP-CLP Changdao Wind Power Co., Ltd. (Changdao Wind) 27 / 12MW** Changdao wind farm is connected to the Shandong provincial grid to serve Yantai City (煙台市)
45%	**HNNE-CLP Weihai Wind Power Company Limited (Weihai Wind) 69 / 31MW** Weihai Wind is located in Shandong Province and has a capacity of 19.5MW for Phase I and 49.5MW for Phase II
25%	**Huaneng Shantou Wind Power Company Limited (Nanao II Wind) 45 / 11MW** Nanao II Wind is located on Nanao Island (南澳島) off Shantou (汕頭), Guangdong Province, serving Shantou City
45%	**Sinohydro CLP Wind Power Company Limited (Changling II Wind) 50 / 22MW** Changling II Wind is located in Changling County (長嶺縣) of Songyuan City (松原市), Jilin Province (吉林省). It is scheduled for completion by third quarter of 2009
45%	**Huadian Laizhou Wind Power Company Limited (Laizhou Wind) 41 / 18MW** Laizhou Wind is located in Laizhou City (萊州市) of Shandong Province. It was commissioned in September 2008
79%	**CLP Huanyu (Shandong) Biomass Heat and Power Company Limited (Boxing Biomass) Equivalent of 14 / 11MW** A biomass combined heat and power project, with 1 x 75 tonnes / hour cotton straw-fired boiler + 6MW generator. It is in Boxing County (博興縣), Binzhou City (濱州市), Shandong Province and commissioned in December 2008
100%	**CLP Yangjiang Hailing Island Wind Power Company Limited (Hailing Island Wind) 22 / 22MW** Located on Hailing Island (海陵島) of Yangjiang City (陽江市), Guangdong Province. This is in the process of being sold
65%	**CLP Sichuan (Jiangbian) Power Company Limited (Jiangbian Hydro) 330 / 215MW** Constructs, owns and will operate a 3 x 110MW hydro project in Sichuan Province (四川省). Completion is targeted for 2011
49%	**Datang Jilin Resourceful Power Generation Co. Ltd. (Datong Wind) 50 / 24MW** Datong Wind is located in Jilin Province and has a capacity of 49.5MW. It was commissioned in 2008
49%	**Datang Jilin Resourceful New Energy Power Generation Co. Ltd. (Shuangliao Wind) 99 / 48MW** Shuangliao Wind is located in Jilin Province and has a capacity of 49.3MW for Phase I and 49.5MW for Phase II. Phase I was commissioned in 2007 and Phase II was commissioned in May 2009
50%	**CLP – CWP Wind Power Investment Limited (CLP-CWP Wind) 99 / 24MW(6)** A 50:50 joint venture with China WindPower Group, which currently owns: • 49% of 49.5MW Qujiagou wind farm in Fuxin City (阜新市), Liaoning Province • 49% of 49.5MW Mazongshan wind farm in Fuxin City, Liaoning Province Both projects are scheduled for commissioning by third quarter of 2009

Note (6): The 24 equity MW attributed to CLP, through its 50% equity interest in CLP-CWP Wind, takes into account that CLP-CWP Wind holds varying equity interests in the generating assets included in the 99 gross MW.

India Investments Gross / Equity MW

Equity Interest	
100%	**Gujarat Paguthan Energy Corporation Private Limited (GPEC) 705 / 705MW** GPEC owns and operates a 655MW gas-fired combined-cycle power station and the 50.4MW wind project **(Samana Phase I)** in Gujarat
100%	**CLP Wind Farms (India) Private Limited (CLP Wind Farms) 246 / 246MW** CLP Wind Farms is constructing the second phase – 50.4MW of the **Samana** project, the 82.4MW **Saundatti** project in Karnataka and the 113.6MW **Andhra Lake** project in Maharashtra
100%	**Jhajjar Power Limited (Jhajjar Power) 1,320 / 1,320MW** **Jhajjar Power** is constructing a 1,320MW (2 x 660MW) coal-fired project, using supercritical technology, in Jhajjar, Haryana. The first unit is scheduled for commissioning in December 2011 and the second unit in May 2012
100%	**Roaring 40s Wind Farms (Khandke) Private Limited (Khandke Wind) 50 / 50MW** 100% of the 50.4MW **Khandke Wind** project in Maharashtra

Operational Performance

This section describes CLP's operational performance in Hong Kong, Australia, the Chinese mainland, India and Southeast Asia and Taiwan over the first six months of 2009 and the outlook for these activities.

Electricity Business in Hong Kong

In the first half of 2009, local electricity sales were 13,840 gigawatt hours (GWh), an increase of 0.6% over the same period last year. This was mainly due to the hot weather in June which reversed the negative sales growth of the first five months. Sales growth in the Residential sector was particularly strong, because the summer school vacation started early as a preventive measure against swine flu outbreaks. Exacerbated by the economic downturn, the declining trend in the Manufacturing sector continued.

A breakdown of the local sales growth by sector during the period is as follows:

	Increase / (Decrease)	As Percentage of Total Local Sales
Residential	3.5%	24.5%
Commercial	1.4%	42.4%
Infrastructure & Public Services	1.5%	26.5%
Manufacturing	(15.0%)	6.6%

Sales to Chinese mainland amounted to 1,654GWh, representing a reduction by 12.1% as compared to the same period last year. This was primarily due to the weak economy which forced many factories in Guangdong to close.

Total electricity sales, including both local sales and sales to the Chinese mainland, declined by 0.9% over the period to 15,494GWh.

In 2008, we announced a 3% average reduction in total tariff for all our Hong Kong customers. This was the result of a reduction of 10% in basic tariff, partly offset by increases in the fuel clause charge (which allows CLP to recover increased fuel costs). Prior to this cut, basic tariff had already been frozen for 10 years and, during that period, we had offered over HK$4 billion in rebates to our Hong Kong customers.

We continue to exercise stringent cost control, to minimise both the impact on tariffs and the risk of lower electricity sales resulting from the effect of the recent economic slowdown.

Consistent with the 2008 Development Plan approved by Government to enhance supply quality and reliability as well as provide for demand created by infrastructure development projects, CLP incurred HK$1,640 million of capital expenditure in the transmission and distribution networks during the period. Major projects included construction of Eastern Road substation, Kai Tak Cruise Terminal substation, Fu On Street substation, Castle Peak Cable Tunnel and the third 132kV Black Point – Pak Kok circuit. We also invested HK$1,315 million in generation, customer services and other supporting facilities.

Work continues with Mainland oil companies on the implementation of gas supply projects to secure the three gas sources highlighted in the MOU signed in August 2008. Planning and design work is progressing well for the development of infrastructure necessary to bring the gas to Hong Kong, including a new LNG receiving terminal in Shenzhen on Dachan Island in the Pearl River Delta and the subsea gas pipeline from Dachan Island to Black Point Power Station.

Good progress has been made in developing the overall engineering required for the Emissions Control Project at Castle Peak "B" Power Station and in carrying out the main civil construction works at site. The relocation work, which involves moving large items of existing plant to new areas of the plant to allow for emission control equipment to be located in the areas vacated, has been completed. The two Flue Gas Desulphurisation (FGD) absorber vessels associated with units B1 and B2 have already been erected and work is proceeding on a number of the ancillary buildings associated with the FGD plant. Installation of nitrogen oxides (NO_x) reduction plants and other equipment is also proceeding well. Currently there are over 1,500 staff and contractors working on site to complete the Emissions Control Project.

As part of the feasibility study of an offshore wind farm development in Hong Kong, CLP, in association with Wind Prospect, presented the Environmental Impact Assessment (EIA) study for public consultation in June 2009. The EIA Report was approved and the Environmental Permit was awarded by the Environmental Protection Department in August 2009. The next phase of the project is the collection of on site environmental data. In parallel we continue to review the underlying business case for the project, including through ongoing wind resource measurement.

CLP is committed to continuous improvement in our customer services to our 2.3 million customer accounts in Hong Kong. The latest survey has shown that our customer satisfaction level was well above benchmarking utilities in Hong Kong. To further strengthen our relationship with customers, our new energy service company in Guangdong offers energy saving advisory solutions to our commercial / manufacturing customers who have operations in Guangdong. This service aims to increase the energy efficiency of customers' undertakings in

Guangdong, thus contributing to the improvement of the Pearl River Delta environment.

To support Government's initiative to promote the development of electric vehicles in Hong Kong, CLP embarked on its plan for a trial network of charging stations in May with major car parks, property developers and corporations to provide an easy and convenient means for electric vehicle users to re-charge the vehicle batteries at public locations.

Our major plans and activities for the second half of 2009 will include:

- carrying forward the implementation of the MOU;
- submitting the Shenzhen LNG receiving terminal project including the associated subsea gas pipeline to Black Point Power Station to the National Development and Reform Commission of China for approval by end of 2009;
- working closely with the relevant Government authorities to solicit the necessary permits and approvals for the construction of the subsea gas pipeline in Hong Kong waters. Early progress on this is crucial to bringing new gas supplies to Hong Kong;
- working out the arrangement with our Chinese counterparts for the continuing supply of nuclear energy from Daya Bay beyond 2014; and
- ensuring the Castle Peak Emissions Control Project runs to schedule.

Energy Business in Australia

Construction of the modern 420MW gas-fired, combined cycle Tallawarra Power Station was completed on 23 January 2009 and it was officially opened on 18 March 2009. TRUenergy Tallawarra supplies electricity to over 200,000 homes and businesses across New South Wales (NSW). As Australia's most efficient, large-scale gas-fired power station, Tallawarra produces 65% less carbon dioxide emissions than the average Australian coal-fired plant. The power station has performed in line with business expectations and requirements.

TRUenergy Yallourn Power Station delivered stable generation throughout the first half of 2009. In 2008, TRUenergy received progress payments totalling A$40 million from its insurers in relation to the Yallourn coal mine subsidence that occurred in 2007. TRUenergy continues to progress its insurance claim in order to recover the significant loss to the business caused by the coal mine subsidence.

The Iona Gas Plant expansion project, which aims to increase daily processing capacity from 320 terajoules to 500 terajoules and gas storage capacity from 12 petajoules to 22 petajoules, is on track for completion by the end of 2009. Design and civil works have been completed and equipment installation work commenced in June 2009.

Total customer accounts have decreased by 1.2% since the start of the year to 1,274,502, primarily due to below expected customer acquisition through the door to door channel, which decreased net residential customer accounts in Victoria by 3%. In early 2009, we reviewed our channel management and customer processes. This review has resulted in a Profit Improvement Programme which aims to drive significant annualised profit improvement over a three-year period. This programme is leading our shift of retail focus from "account volume" to "profitable growth".

Our new gas-fired power station at Tallawarra

Our new process and systems platform that will support further transformation of our retail business, is progressing, but has been delayed in testing by our prime solution provider IBM and their key subcontractor Oracle. Given ongoing changes in the regulatory environment and recent new product support that needs to be included with the initial solution, we have recently reviewed and agreed with IBM a new delivery timeline for the platform, inclusive of a formal pilot of the solution in the first half of 2010.

For the first six months of 2009, spot prices in the Australia National Electricity Market were generally below levels seen in the same period last year. This was primarily because the extended period of extremely hot weather which had resulted in record prices in South Australia in March 2008 was not repeated in 2009. A short period of high temperatures in Victoria in late January and early February led to higher volatility and increased spot prices in that State. Contract price levels for 2010 and beyond, as well as movements in those prices, have reflected changing expectations and policy announcements concerning the proposed CPRS, which was originally proposed for introduction from 1 July 2010. On 4 May, the Australian Government announced that it would defer the introduction of the CPRS until 1 July 2011 and cap carbon prices at A$10/tonne in the first year of the CPRS. This announcement led to significant falls in forward electricity prices for 2010 and 2011, which has affected the value of our Economic Hedge book.

Legislation to enact the Australian Government's CPRS was passed by the House of Representatives on 6 June 2009. However, the legislation, which would introduce a cap and trade system to Australia, was rejected by the Opposition, the independent senators and the Greens in the Senate on 13 August 2009. The Australian Government must now wait three months before it can re-introduce the legislation into the Parliament.

The legislation that was rejected by the Senate in August would have resulted in significant write downs of assets on balance sheets, meaning less investment in the energy sector, as well as undermining the reliability of generation, which is an issue for the wider Australian economy. Over the past 18 months, TRUenergy, along with industry associations, has engaged with the Federal Government at all levels to ensure they are aware of the range of potential outcomes from emissions trading policy decisions. TRUenergy also continues to advocate for appropriate transitional support to allow a smooth transition to a lower-carbon economy and not risking the reliability of energy supply.

The Australian Government's proposed Renewable Energy Target (RET) legislation is presently with the Senate. This would mandate a 20% share of renewables in Australia's electricity mix by 2020. As and when the RET is passed, TRUenergy and other electricity retailers will be required to meet the new increased renewable energy targets. The RET scheme guarantees a market for additional renewable energy generation, using a mechanism of tradeable Renewable Energy Certificates (RECs). The Government is increasing the legislated target more than four times from 9,500GWh to 45,000GWh in 2020. The RET scheme will expand on the existing Mandatory Renewable Energy Target and absorbs existing and proposed State and Territory renewable energy schemes into a single national scheme.

TRUenergy has been actively engaged with the NSW government departments responsible for the state's electricity privatisation process and their advisors over the past six months. In addition to local discussions, the NSW Finance Minister, who has lead responsibility for the reform process, met senior management of CLP and TRUenergy in May in Hong Kong. These discussions have been useful in understanding the nature of the assets to be divested and the possible timing of the proposed process. TRUenergy continues to monitor the process and expects an expression of interest phase and further announcements by NSW Government in the third quarter of 2009.

In February, wildfires destroyed large parts of Victoria, including areas close to TRUenergy's Yallourn Power Station and its call centre in the Whittlesea area. While TRUenergy's operations were not directly affected, a number of employees lost relatives, friends or property. In response, CLP, TRUenergy and employees donated to the fire relief fund-raising appeal contributing around A$255,000, volunteered for relief work, provided free electricity to a Salvation Army sorting centre as part of the relief effort, and provided call centre staff to help coordinate state-wide volunteers and donated supplies. TRUenergy also waived bills for customers in fire affected areas.

In the second half of 2009, TRUenergy will continue to focus on:

- discussions with Federal Government to secure adequate financial transitional arrangements to the CPRS in order to ensure ongoing reliable generation and new investment;
- finalisation of our current programme for refinancing A$350 million of long term credit facilities for the business;
- delivering cost reductions across the business;

- retail profitability including a focus on reducing bad debt levels amongst retail customers and ensuring higher levels of efficiency in retail billing and connections;
- the Environmental Assessment of the additional gas-fired capacity at Tallawarra which is proceeding through public consultation;
- advancing its goal of transitioning to low-emissions operations at the Yallourn Power Station. These could include, in phases and subject to government and regulatory support, coal drying, gasification and, ultimately, carbon capture and storage; and
- monitoring growth opportunities in NSW via the privatisation process.

Chinese Mainland

Domestic and international coal prices surged in mid-2008, affecting both price and supply. The situation improved as coal prices started to fall towards the end of 2008 due to the global economic downturn and the consequent reduced electricity demand and generation. In the first half of 2009, adequate coal supplies to our power stations have been maintained and the price has been lower than the average price in 2008. We will continue to strengthen our operation management and marketing efforts to ensure stable and effective fuel supply.

The Fangchenggang Power Station (2 x 630MW supercritical coal-fired units) has entered its second year of operation with generally reliable plant performance, but grid dispatch has been significantly below expectations. The Guangxi grid has been affected by reduced electricity demand, due to the economic downturn, and a surplus of hydro power due to high rainfall. We expect that this situation will gradually improve but revenue will be adversely affected in the short-term. Fangchenggang uses imported coal and is therefore subject to the volatile international market prices. There has been a significant reduction in prices after the high levels of last year but tariff adjustments by the PRC authorities still do not reflect the full impact of increased costs.

During the first half of the year, CSEC Guohua, our joint venture with the Shenhua Group, has progressed construction of the two 1,000MW coal-fired units of Suizhong II in Liaoning Province to schedule. We have completed our final injection of registered capital in June 2009 and our equity interest in CSEC Guohua is now 30%, as scheduled.

We are constructing the 330MW Jiangbian Hydro Project at a remote site in Sichuan Province. This will provide a significant addition to CLP's zero carbon generating capacity (CLP ownership is 65%). The main areas of work are currently the dam, the tunnel that will bring water to the generators and the underground power house. Equipment pre-assembly has started. Progress on the tunnel is being affected by varying rock quality, which brings a risk of rock bursts from newly excavated surfaces. We are therefore reprogramming other activities to reduce the impact on the overall project programme.

In the first half of 2009, CLP made significant expansion in its investments in wind power projects on the Mainland.

Through our partnership in the Daya Bay Nuclear Power Station, CGNPC has invited CLP to acquire a 32% shareholding in CGN Wind Power Company Limited (CGN Wind) as a strategic partner and to develop CGN Wind as a major

Tunnelling work at our Jiangbian Hydro Project platform for our future expansion in wind power projects in China. Approval from the Ministry of Commerce to the acquisition is awaited.

In March 2009, CLP acquired a 50% equity interest in a wholly-owned subsidiary of China WindPower Group (CWP). The new joint venture, CLP-CWP Wind Power Investment Limited, owns 49% of two wind projects with a combined installed capacity of 99MW in Fuxin City of Liaoning Province, China. The wind farm facilities are expected to be completed in 2009.

In April 2009, CLP acquired from Roaring 40s, a 50:50 joint venture between CLP and Hydro Tasmania, its wind farm portfolio in the Chinese mainland. As a result of this acquisition, CLP has a 49% stake in seven wind projects, of which four are in operation.

Together with CLP's other interests in hydro and biomass projects on the Mainland, our renewable energy portfolio on the Mainland has grown to about 480 equity MW representing interests in 19 projects, in addition to the Jiangbian Hydro Project.

Looking ahead to the second half of 2009, the focus of our activities on the Mainland will be to:

- support our joint venture with Shenhua and CGNPC;
- continue to extract greater value from existing assets by pushing for higher tariffs, sourcing alternative coal supplies and reducing operating and maintenance costs;
- promote environmental improvement at power stations; and
- continue with the development of our activities in wind energy.

India

We have started construction of the 1,320MW coal-fired Jhajjar Project in Haryana State using equipment and other resources from PRC suppliers and contractors. We chose to use a PRC main contractor with previous experience in India. We initially encountered problems as the cost of raw materials increased and currencies fluctuated abnormally in the financial crisis. It became necessary to amend the contract price but we have now reached an agreement on the revised terms and signed the contract at a price which is still well below international market levels. Construction at the Jhajjar site is progressing well, with the first unit of the plant due for commissioning in December 2011 and the second unit in May 2012.

The Jhajjar Project was formally certified as a "Mega Power Project" by the Ministry of Power, Government of India on 13 May 2009. In accordance with the current mega power project policy, a project qualifying as a mega project is exempt from customs and excise duties, which are otherwise levied on the equipment installed. Construction, engineering and equipment procurement is proceeding satisfactorily. Financial close, with a consortium of Indian banks and financial institutions, is expected to occur by the end of the third quarter 2009. A Letter of Assurance has been issued by Central Coalfields Limited, a subsidiary of Coal India Limited for supply of coal to the power plant. Final supply and transportation agreements are expected to be in place by the end of 2009.

As part of ongoing efforts to secure long-term gas supplies to GPEC Power Station, GPEC and Reliance Industries, together with the transportation companies, signed a gas sale purchase agreement for approximately 1 million cubic metres / day (mcmd) of gas from the Krishna Godavari D6 gas field on the eastern coast of India on 24 April 2009, with supply of gas commencing on 26 April 2009. This takes the total long-term gas supply available to the plant to 1.75 mcmd. A side-letter with Reliance Industries was executed by GPEC on 22 May 2009 for an additional 1.4 mcmd of gas for GPEC, in addition to the 0.97 mcmd executed earlier for a five-year period. The additional gas is available from now until 30 September 2009.

With regard to the decision of the Gujarat Electricity Regulatory Commission (GERC) that the "deemed generation incentive" was not payable by Gujarat Urja Vikas Nigam Ltd. (GUVNL) when the plant of GPEC was declared with its availability on naphtha, GPEC appealed the decision and sought a stay order from the Appellate Tribunal of Electricity (ATE), India against enforcement of GERC's decision. The ATE granted a conditional stay. Substantive hearings at the ATE on the merits of this dispute are currently scheduled for September 2009.

The background to GUVNL's claim is explained in Note 24 to the Condensed Consolidated Interim Financial Statements in our Interim Report 2009 at page 47, where it is treated as a contingent liability.

In June 2009, CLP acquired from Roaring 40s a 100% stake in the 50.4MW Khandke Wind Farm in Maharashtra, India. To date, CLP is the largest external wind developer in India, with a renewable energy portfolio comprising 347.2 equity MW. This also includes the Samana Wind Project, whose first phase (50.4MW) was commissioned on 12 March 2009. Construction of the Samana Phase II and Saundatti (82.4MW) is well under way, with Saundatti expecting to be commissioned by February 2010.

The outlook for CLP India in the second half of 2009 continues to be positive, with a focus on:

- moving forward with the construction of the Jhajjar Power Station safely, on time and within budget;
- strengthening CLP's management resources in India in line with the demands of a growing business;
- pursuing greenfield opportunities in transmission and generation projects;
- completing Samana Phase II and Saundatti; and
- continuing to expand its renewable energy portfolio.

Southeast Asia and Taiwan

OneEnergy has been restructured by CLP and Mitsubishi Corporation so that it continues to be a strong strategic alliance in the pursuit of greenfield power projects in Southeast Asia and Taiwan, by drawing upon both parties' complementary strengths, whilst corporate infrastructure and overheads are streamlined.

The development efforts of CLP and Mitsubishi are currently focused on two Independent Power Producers (IPP) projects in Vietnam, as well as on renewable projects in Thailand. A joint venture company in Vietnam was established for the 3 x 660MW coal-fired Vinh Tan 3 project, which is currently being developed by CLP and Mitsubishi, in partnership with the state electricity company Vietnam Electricity and the private company Pacific Group Corporation. The preliminary design and preparations for engineering, procurement and construction (EPC) contract for the 2 x 660MW Vung Ang 2 project in Central Vietnam are being progressed.

The Ho-Ping Power Station in Taiwan has been affected over the past few years by various aspects of fuel supply and handling. Coal suppliers are reluctant to fix prices beyond a period of one year in the current conditions of high market volatility and some seek renegotiation of lower prices that were fixed in earlier years. Nonetheless, we have been able to maintain a sufficient supply of coal at prices generally favourable to the market. Operating profitability at Ho-Ping has improved significantly this year, largely as a result of the current high energy tariff relative to our current coal costs. Under the Power Purchase Agreement (PPA) with Taipower, Ho-Ping's energy tariff adjusts on a calendar year basis to reflect Taipower's actual prior year unit coal costs. This lag in energy tariff adjustments should result in adequate recovery of coal costs over the full term of the PPA. However, it also increases the volatility of Ho-Ping's annual financial results.

Coal at Ho-Ping is intended to be stored under cover but the enclosures were all destroyed in typhoons a few years ago. Open storage of loose piled coal leads to problems in heavy rainfall and this has affected plant availability. We are now close to completing the rebuild of the coal storage domes to higher wind speed standards and this should reduce the impact of wet coal on boiler operation.

EGCO continues to pursue growth opportunities in Thailand and neighbouring countries. In March 2009, EGCO completed the acquisition of the remaining 2.6% interest in the 503MW Quezon power plant in the Philippines, bringing its shareholding to 26%. All operating power plants in EGCO's portfolio achieved high levels of availability and safety. Construction of the 1,087MW Nam Theun 2 hydro project in Laos is progressing towards scheduled commercial operation in December 2009.

Ho-Ping Power Station

The key tasks for the second half of 2009 will include to:

- effectively manage Ho-Ping Power Station operations and fuel supply to achieve high availability and profitability;
- advance development for the Vinh Tan 3 and Vung Ang 2 projects in Vietnam, including engineering design, fuel supply, EPC contracting, financing and PPA negotiations;
- accelerate development activities for renewable projects in Thailand and review opportunities in other markets including Taiwan;
- support EGCO in its growth strategy; and
- consider strategic acquisitions as opportunities arise.

Human Resources

As at 30 June 2009, the Group employed 5,700 staff (2008: 5,639), of whom 3,983 were employed in the Hong Kong electricity and related business, 1,421 by our businesses in Australia, the Chinese mainland, India, Southeast Asia and Taiwan, as well as 296 by CLP Holdings. Total remuneration for the six months ended 30 June 2009 amounted to HK$1,528 million (2008: HK$1,606 million), including retirement benefit costs of HK$122 million (2008: HK$118 million). The decrease in total remuneration was mainly due to the lower average exchange rates of the Australian dollar in the first six months of 2009 as compared to the same period in 2008.

Safety

Overall safety performance improved during the first half of 2009. In Hong Kong, for instance, there were no employee disabling injuries.

We had a total of two employee and nine contractor lost time injuries across the Group. There was a general reduction in the seriousness of injuries, with most incidents related to falls, trips and cuts. We did, however, see an increase in rock burst incidents at the excavated surfaces inside the tunnels of our hydro project at Jiangbian in the Chinese mainland, with one contractor worker seriously injured by flying rock pieces in May. Site teams there are monitoring rock conditions and work control has been increased.

In Taiwan, we have completed investigations into the fatalities of two contractor workers inside a coal mill at Ho-Ping in December 2008. Actions have been taken to improve supervision, risk management, and staff engagement in safety activities.

In India, GPEC completed a pilot run of the Group Safety Information System on incident reporting and corrective action process. The system will be rolled out to all CLP operations in the second half of the year.

As part of our continuing safety initiatives across the Group, we have put in place new safety principles, policies and standards so that there is consistency at all locations. We also made satisfactory progress on a wide range of safety initiatives. As the worldwide swine flu epidemic emerged earlier this year, we put in place response plans across the Group. So far the impact of swine flu has been limited to our TRUenergy operations in Victoria, Australia where there were a small number of confirmed cases in a call centre and in the management head office. TRUenergy has stepped up its local control measures such as travel restrictions and controls on visitors.

Environment

We have long recognised that environmental impact of our business is an important issue for society. In particular, there has been growing concern from our stakeholders over regional air quality and global climate change issues. We continue to apply expertise and innovation to address these concerns, and to ensure that we continuously act in an environmentally responsible manner.

Air Quality

Our ongoing efforts in air quality improvement projects in Hong Kong have put us in good stead to contribute to significant emissions reduction.

FGD and NO_x reduction facilities are the major environmental mitigation projects at our Castle Peak Power Station. These facilities are necessary to meet the 2010 emission targets in Hong Kong and, as explained on page 10, these projects are progressing well.

Emissions from CAPCO power stations in the first half of 2009 were well managed and within target. The current emissions forecast for the year end are within the emission caps granted by the Hong Kong Government. Whilst we have made progress in securing gas sources for supply to Hong Kong pursuant to the MOU between Hong Kong Government and Central People's Government, we need to conserve gas from Yacheng for later years. Accordingly, the gas volume burnt in 2009 at CAPCO power stations will be slightly lower than in 2008. Because of this, it is likely that the year end emissions for 2009 will be slightly higher than those achieved in 2008 but still within license limits. After the completion of the Emissions Control Project at Castle Peak Power Station, emissions will be substantially reduced and will comply with the 2010 emission targets.

Climate Change

Through the World Business Council for Sustainable Development (WBCSD), CLP has taken part in a global series of stakeholder dialogues on the future international regulatory regime for the electricity industry. CLP will be taking part in the United Nations Climate Change Conference in Copenhagen in December 2009 through the WBCSD.

The growth in our renewable energy portfolio, development of additional gas-fired generation and our involvement in the Mainland's nuclear energy programme, all touched upon in this Interim Report, are part of our Climate Vision 2050 which was announced in 2007. We aim to make a significant contribution to the collective effort needed to tackle the threat of catastrophic climate change through drastic reductions in the carbon intensity of our generation portfolio.

Since 2007, TRUenergy has been committed to reducing its emissions by 60% by 2050, subject to the introduction of an effective and efficient national emissions trading scheme. We believe fair emissions regulation should include an appropriate level of direct assistance to severely affected coal-fired power plants. Such a national emissions trading scheme will allow TRUenergy to invest in transitioning to a low carbon future.

In Hong Kong, CLP is in a good position to further reduce emission intensity as a result of developing additional supplies of natural gas. Elsewhere in CLP's portfolio, risk assessment indicates lower financial impact from regulations to reduce carbon emissions, either because our emissions are relatively low, and / or because our investments are in line with the national energy policies and security objectives.

CLP continued to participate in the investor-led Carbon Disclosure Project (CDP). Our report includes an in-depth discussion of our emissions, trends, risks, opportunities and management of the climate change issue within CLP. Our full submission is available on CLP's website.

Stakeholder Engagement

In the first half of 2009, CLP proactively communicated with stakeholders about the development of major business initiatives. For example, in Hong Kong, we engaged with the Hong Kong community on our Energy Vision, which was announced at a public forum in April. The CLP Energy Vision sets out a clear plan to develop a robust electricity infrastructure between Hong Kong and Guangdong. To support the plan, seven training activities and knowledge sharing sessions with Guangdong power supply authorities and government officials have taken place. Ongoing communications are maintained by publications, internet, media, seminars and briefings with customer and professional groups to encourage public participation in the discussion on this initiative.

To further our efforts in public education on nuclear safety, visits to Daya Bay Power Station have been arranged for over 100 individuals, and the company website has been updated every month. Programmes have also been put in place to arrange cross-border visits by Guangzhou residents to our facilities in Hong Kong in recent months.

Betty Yuen, Head of our Hong Kong electricity business, hosting one of our shareholders' visits

CLP also engaged the community extensively in discussion of the development of a 200MW offshore wind farm project in the eastern waters of Hong Kong, before, during and after the statutory public consultation period. Since January over 40 workshops, briefings and seminars have been undertaken to present facts about the project to green groups and political parties, residents, community representatives, academics, and other stakeholders.

The emissions control project in Castle Peak Power Station is well underway. 11 briefings and tours have been arranged for stakeholders to acquire a better understanding of the project and its progress.

In Australia, TRUenergy has undertaken an advocacy campaign in response to the proposed CPRS legislation to ensure that past and future investments in Australia will not be negatively impacted by policy reform. It has also commissioned modelling and financial analysis of the emissions trading scheme and its likely impact on the National Electricity Market and individual power stations and provided the modelling's conclusions to policy makers and their advisers.

Meanwhile, TRUenergy Yallourn is collaborating with other Latrobe Valley generators and major research groups to investigate more efficient means of generating electricity using brown coal. TRUenergy has contributed A$700,000 to six research projects, including investigating gasification of brown coal and coal drying techniques, and is exploring different means of reducing the water content of the coal to significantly improve the performance of brown coal as a fuel source.

In India, the celebration of the foundation laying of our Jhajjar coal-fired station was graced by Shri Bhupinder Singh Hooda, the Honourable Chief Minister of Haryana and witnessed by 30,000 participants from government and neighbouring communities.

Sustainability Reporting

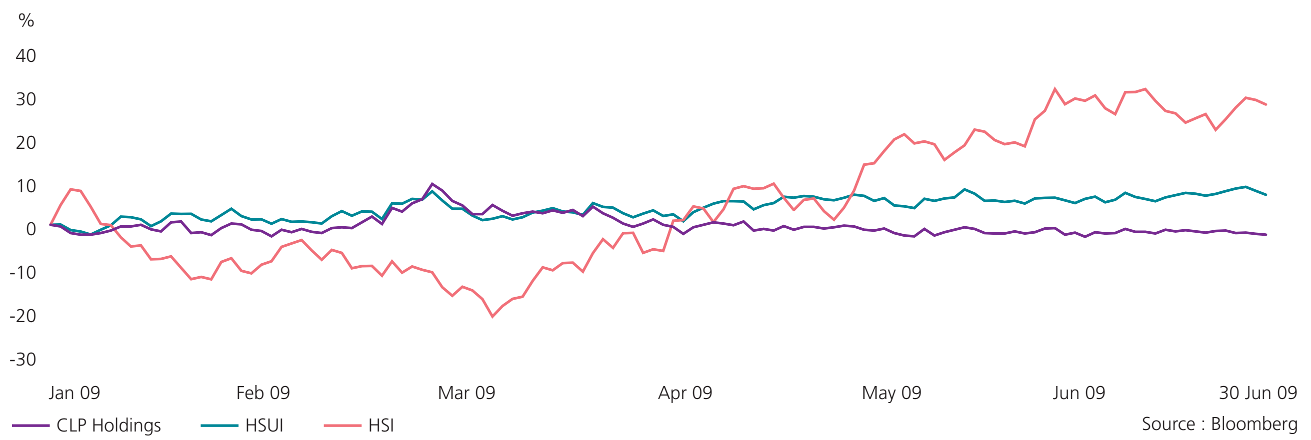
Maintaining our tradition of transparency, CLP published its third online Sustainability Report in March 2009, as well as an executive summary printed version. This year's Report explained in detail our approach to achieve "the triple bottom line" – the financial, social and environmental effects of a company's policies and actions, which determine its viability as a sustainable organisation. In order to increase the readability of the Report, we have introduced video messages and increased animation and interactivity to our charts and graphics. The online version of the Report is updated along with this Interim Report in order to provide our stakeholders with the latest information.

Shareholder Value

During the first half of 2009, CLP's share price dropped by 2.28% whilst the Hang Seng Utilities Index (HSUI) and the Hang Seng Index (HSI) rose by 6.93% and 27.74% respectively.

The final dividend for 2008 of HK$0.92 per share was paid to shareholders on 29 April 2009. The first interim dividend for 2009 of HK$0.52 per share was paid on 15 June 2009 and the second interim dividend of HK$0.52 per share will be paid on 15 September 2009.

CLP Holdings Share Performance vs HSUI and HSI (Base: 31 December 2008 = 0%)



Source : Bloomberg

Financial Performance

Events that Shaped Our Financial Performance in the First Half

A number of issues previously advised to shareholders, such as the Carbon Pollution Reduction Scheme (CPRS) in Australia, continue to influence the Group's financial performance and prospects. The following points will assist the assessment of our financial performance and position for the half-year:

- The downward pressure of a lower Scheme of Control (SoC) permitted return (from 13.5% – 15% to 9.99%) on our revenue and earnings, which came into effect in October 2008, had its first half-year impact. Our SoC revenue and earnings have dropped by 13.2% and 27.6% respectively.
- In view of the difficulty in raising further capital under the current financial market conditions to enable continuous operation and development of the solar energy technology in Solar Systems, an associated company in Australia in which we hold 20% interest, the Group made a provision for its investment therein. This resulted in a loss of HK$346 million.
- The Australian dollar at 30 June 2009 (used to translate the financial position) has appreciated by 17% against Hong Kong dollar since 2008 December year end. On the other hand, the average exchange rates of Australian dollar and Indian rupee (used to translate the results, i.e. income and expenses, for the period) have weakened by 23.6% and 17.6% respectively as compared to the first half of 2008. The diverging effects of exchange rates on our financial position and results will be explained in more detail in the financial analysis which follows.

Financial Outlook for the Second Half

The following issues will influence the Group's financial outlook over the remainder of 2009:

- There will be a full year effect of a lower SoC permitted return, as compared to 2008 when there was only a three months' effect.
- Notwithstanding the deferral of the CPRS implementation by one year from 2010 to 2011 and the delay in legislation in Australia, the CPRS continues to pose a significant risk to the Group's financial performance and position. If the legislation is successfully passed later in the year in its current form, a significant impairment on TRUenergy's generation assets, Yallourn, may result.
- The business environment in mainland China remains challenging notwithstanding the increased electricity tariff following the tariff adjustments in 2008. Sluggish demand and strong competition from alternative energy sources, especially hydro, may continue to depress our earnings.

The purpose of this interim report is to provide an update to our readers since last December. Readers may find further background to some of the issues we discuss here, in our 2008 Annual Report.

Group's Financial Results

	Notes to the Financial Statements	Six months ended 30 June 2009 HK$M	2008 HK$M	Increase / (Decrease) HK$M	%
Earnings attributable to shareholders		**3,235**	5,610	(2,375)	(42.3)
Revenue	*5*	**23,503**	27,534	(4,031)	(14.6)
Expenses		**(18,790)**	(21,329)	(2,539)	(11.9)
Finance costs	*8*	**(1,668)**	(2,278)	(610)	(26.8)
Share of results of associated companies	*15*	**(356)**	(12)	344	N/A
Income tax expense	*9*	**(666)**	(330)	336	101.8

Income Tax Expense

Excluding the write-backs of deferred tax and dividend withholding tax of HK$403 million in aggregate in 2008, income tax expense actually decreased by HK$67 million, which was consistent with the reduced profit for the current six months.

Share of Results of Associated Companies

Owing to the difficulty in raising further capital under the current financial market conditions to enable continuous operation and development of the solar energy technology in Solar Systems, a provision for the investment in Solar Systems is made resulting in a loss of HK$324 million. Together with related tax adjustment, the total loss is HK$346 million.

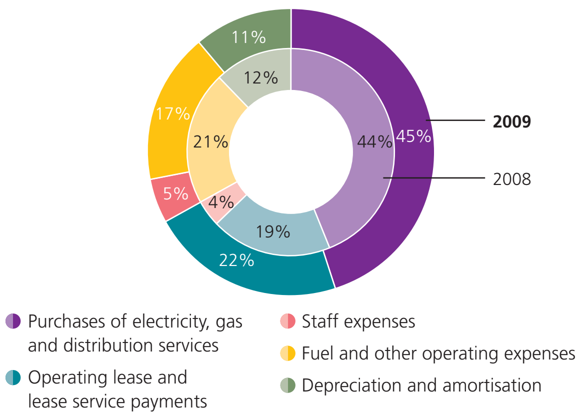
Finance Costs

The decrease in finance costs was mainly due to reduction in the finance lease charges paid by CLP Power Hong Kong for the generation assets leased from CAPCO. These charges were linked to the permitted return which was lower since October 2008.

Expenses

In line with the drop in revenue, expenses also decreased by 11.9%. Of these, "purchase of electricity, gas and distribution services" and "fuel and other operating expenses" categories accounted for 33% and 48% of the decrease respectively. A major factor of the decrease is the lower average exchange rates of Australian dollar and Indian rupee highlighted before. In India, the off-taker requested GPEC to use naphtha as a low cost substitute for gas in the first quarter of 2009. Together with the subsequent lower gas price, the fuel cost decreased accordingly.

Analysis of Expenses



Revenue

Unsurprisingly, revenue dropped across the Group in the past six months. In Hong Kong, the lower SoC permitted return led to a 10% reduction of basic tariff and a 13.2% decrease in local electricity sales. Revenues from TRUenergy and GPEC were depressed by the lower average exchange rates of the Australian dollar and Indian rupee. Excluding this, TRUenergy's revenue increased due to higher retail electricity volume prices, favourable generation at Yallourn and the commissioning of Tallawarra in January 2009; whilst the lower fuel cost pushed down GPEC's revenue under the cost pass-through mechanism.

Earnings

	Six months ended 30 June				Increase / (Decrease)	
	2009		2008			
	HK$M	HK$M	HK$M	HK$M	HK$M	%
Electricity business in Hong Kong (HK)		2,925		4,040	(1,115)	(27.6)
Electricity sales to Chinese mainland from HK	33		42			
Generating facilities in Chinese mainland serving HK	378		492			
Other power projects in Chinese mainland	(97)		34			
Energy business in Australia	204		115			
Electricity business in India	159		263			
Power projects in Southeast Asia and Taiwan	244		75			
Other earnings	(15)		454			
Earnings from other investments / operations		906		1,475	(569)	(38.6)
Unallocated net finance costs		(11)		(1)		
Unallocated Group expenses		(217)		(176)		
Operating earnings		3,603		5,338	(1,735)	(32.5)
Other income		–		423		
TIPS* related contracts — MTM amortisation		(21)		(84)		
Yallourn coal mine subsidence costs		(1)		(67)		
Provision for Solar Systems		(346)		–		
Earnings attributable to shareholders		3,235		5,610	(2,375)	(42.3)

* Torrens Island Power Station in South Australia was sold in July 2007.

The reduced contribution from Hong Kong electricity business and the provision for our investment in Solar Systems (contrasting with the one-off gain on disposal of SEAGas, Australia in 2008) has resulted in the half-year earnings attributable to shareholders falling 42.3% to HK$3,235 million, as compared to HK$5,610 million in the first half of 2008.

The lower permitted return (from 13.5% – 15% to 9.99%) under the SoC effective October 2008 has reduced earnings from electricity business in Hong Kong by 27.6%.

The write-back of the provision for dividend withholding tax in 2008 of HK$76 million and fewer units sent out in 2009 due to planned outage explains the reduced earnings from generating facilities in the Chinese mainland serving Hong Kong.

In the Chinese mainland, as a result of the reduced market demand, utilisation of the Group's coal-fired stations was lower than that in 2008. Fangchenggang additionally suffered from competing generation from hydro power stations in Guangxi and recorded a net loss of HK$77 million in current period (2008: net profit of HK$11 million).

Notwithstanding the 23.6% decrease in average exchange rate of Australian dollar, TRUenergy has benefited from the uplift of retail electricity price in 2009 and higher retail electricity volume. The increased generation of 12% at Yallourn and the commissioning of Tallawarra Power Station in January 2009 also contributed to the increase for the period.

GPEC has continued to operate at a high level of reliability and availability as in 2008. Apart from the 17.6% lower average exchange rate of Indian rupee, earnings from India were adversely affected by the reduction in interest income and by expenses incurred for new wind projects and the Jhajjar project.

Earnings from Southeast Asia and Taiwan improved as a result of higher profit sharing from Ho-Ping. The higher energy charge rate effective 2009 (to catch up with past high coal prices), has improved the earnings of Ho-Ping.

Included in 2008 "other earnings" was the write-back of HK$389 million deferred tax due to a reduction in Hong Kong profits tax rate from 17.5% to 16.5%.

A loss of HK$346 million (2008: nil) resulted from the provision for the Group's 20% interest in Solar Systems Pty Ltd, an associated company in Australia, due to difficulty in raising further capital under the current weak financial market conditions to enable continuous operation and development of the solar energy technology.

Group's Financial Position

	Notes to the Financial Statements	**At 30 June 2009 HK$M**	At 31 December 2008 HK$M	Increase / (Decrease) HK$M	%
Fixed assets	*12*	**91,098**	86,873	4,225	4.9
Interests in jointly controlled entities	*14*	**19,749**	17,791	1,958	11.0
Derivative financial instruments assets (current & non-current)	*16*	**2,736**	2,879	(143)	(5.0)
Derivative financial instruments liabilities (current & non-current)	*16*	**1,726**	2,035	(309)	(15.2)
Trade and other receivables	*17*	**9,086**	8,239	847	10.3
Bank balances, cash and other liquid funds		**2,327**	782	1,545	197.6
Bank loans and other borrowings (current & non-current)	*19*	**33,382**	26,696	6,686	25.0

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Bank Balances, Cash and Other Liquid Funds

As at 30 June 2009, we had liquid funds of HK$2.3 billion (31 December 2008: HK$0.8 billion), of which 96% was denominated in foreign currency mainly held by overseas subsidiaries in India, Australia and Chinese mainland. The remainder was in Hong Kong dollar. The significant balance held at period end was in contemplation of the substantial capital expenditure needs in India for the Jhajjar project.

Trade and Other Receivables

The increase in trade and other receivables was mainly caused by the seasonal factor for higher sales in Hong Kong in June as compared to December, and the increase in deposits and prepayments for the construction of Jhajjar project.

Fixed Assets and Capital Commitments

Fixed assets are the base of CLP's business, representing about 64% of our total assets. We strive to maintain our power stations and systems to world-class standards and we continue to invest heavily in capital projects. In Hong Kong, we invested HK$1.7 billion in the past six months. Capital expenditure outside Hong Kong amounted to HK$1.3 billion, mainly related to the completion of Tallawarra and the expansion of Iona gas facilities in Australia, and the Jhajjar project in India.

Capital commitments stood at HK$24.4 billion, representing mainly the upgrading works in Hong Kong and the Jhajjar project.

Interests in Jointly Controlled Entities

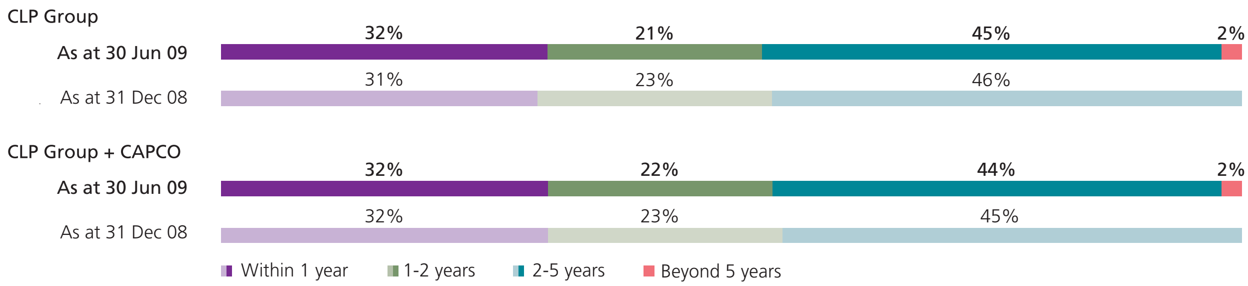
In April, the Group acquired additional direct interests in wind power projects in mainland China which were previously held indirectly through Roaring 40s (another jointly controlled entity) at HK$735 million. The CSEC Guohua restructuring was completed in June with an additional investment of HK$331 million, which brought CLP's interest therein back to 30%. The advance to CAPCO also increased by HK$544 million to fund its capital expenditure.

Derivative Financial Instruments

As at 30 June 2009, the Group had gross outstanding derivative financial instruments amounting to HK$99.9 billion. The fair value of these derivative instruments was at a net surplus of HK$1.0 billion, representing the net amount we would receive if these contracts were closed out on 30 June 2009. However, changes in fair value of derivatives will have no impact on cash flow until settlement. The breakdown by type and maturity profile of the derivative financial instruments is shown below:

	Notional Amount		**Fair Value Gain / (Loss)**	
	30 June 2009 HK$M	31 December 2008 HK$M	**30 June 2009 HK$M**	31 December 2008 HK$M
CLP Group				
Forward foreign exchange contracts	65,420	62,127	603	696
Interest rate swaps	14,083	12,249	(347)	(485)
Cross currency & interest rate swaps	4,770	2,926	339	198
Renewable energy certificates	415	608	3	53
Energy hedging & trading caps & options	146	140	(36)	–
Energy hedging & trading swaps	15,030	17,488	448	382
	99,864	95,538	1,010	844
CAPCO				
Forward foreign exchange contracts	723	1,037	(47)	(117)
Interest rate swaps	1,902	2,291	(74)	(92)
	2,625	3,328	(121)	(209)
Total	102,489	98,866	889	635

Maturity Profile



From Page 22

Financing and Capital Resources

The Group engaged in new financing activities in the first half of 2009 in support of the expansion of our electricity business. We continue to adopt a prudent approach to all our financing arrangements, whilst aiming to achieve adequate, diversified and cost efficient funding.

In the first half of 2009, CLP Power Hong Kong successfully arranged HK$4.9 billion new financing at attractive interest rates amidst a very challenging market environment. This comprises HK$2.9 billion bond issuances with tenor of 3 to15 years at fixed interest rates ranging from 2.25% to 4.62% and HK$2.0 billion short to medium-term bank facilities. The bonds were issued under the Medium Term Note (MTN) Programme set up by CLP Power Hong Kong's wholly-owned subsidiary CLP Power Hong Kong Financing Limited in 2002. Under the MTN Programme, bonds in an aggregate amount of up to US$2.5 billion, increased from previously US$1.5 billion, may be issued and will be unconditionally and irrevocably guaranteed by CLP Power Hong Kong. As at 30 June 2009, notes with a nominal value of about HK$11.0 billion have been issued under the MTN Programme. In Australia, TRUenergy rolled over a A$300 million (HK$1.9 billion) working capital loan in June and is working with the lead arranging banks to complete a refinancing of A$350 million (HK$2.2 billion) long-term credit facilities. In India, we have obtained approval from all participating banks to arrange a INR39 billion (HK$6.3 billion) project level loan to fund the construction of the 1,320MW coal-fired Jhajjar project.

We maintain an appropriate portion of committed credit facilities with staggered maturities to enhance liquidity and reduce refinancing risk. Also, we have solicited and maintained bank facilities from a group of financial institutions with strong credit standings to ensure proper performance of contractual obligations by our counterparties. The debts of our subsidiaries are without recourse to CLP Holdings. Of the Group's total borrowings, HK$1,135 million as at 30 June 2009 was secured by fixed and floating charges over the assets of GPEC, Jhajjar Power and Khandke Wind. HK$456 million was secured by right of receipt of tariff, fixed assets and land use rights in Huaiji and Boxing Biomass. The Group's total debt to total capital ratio as at 30 June 2009 was 33.6%, decreasing to 32.0% after netting off bank balances, cash and other liquid funds. Interest cover for the six months ended 30 June 2009 was 7 times. As at 30 June 2009, the Group's fixed rate debt as a proportion of total debt was approximately 63% (62% for the Group and CAPCO combined).

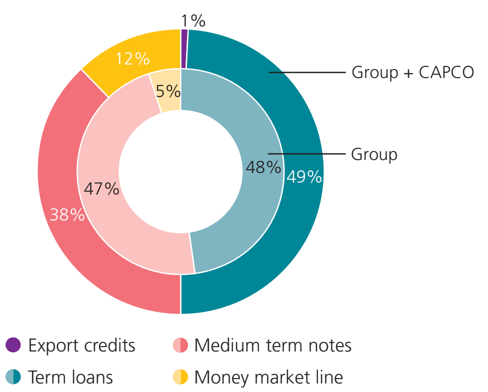
	CLP Holdings HK$M	CLP Power Hong Kong HK$M	Other Subsidiaries[2] HK$M	Group HK$M	Group + CAPCO HK$M
Available Facility[1]	8,400	21,629	18,845	**48,874**	**56,904**
Loan Balance	2,381	17,859	13,142	**33,382**	**40,759**
Undrawn Facility	6,019	3,770	5,703	**15,492**	**16,145**

Notes:

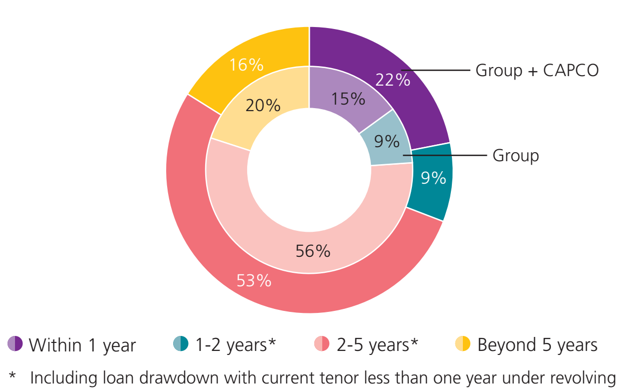
1 For the MTN Programme, only the amount of Notes issued as at 30 June 2009 was included in the total amount of Available Facility.

2 Mainly relate to TRUenergy and GPEC.

Loan Balance by Type



Maturity by Ageing

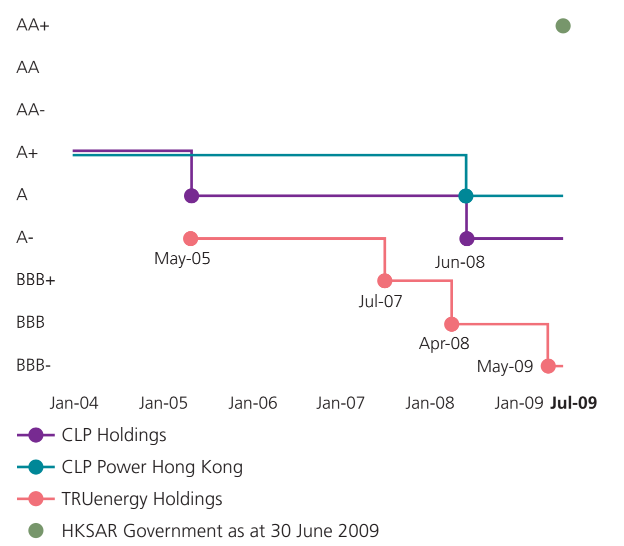


* Including loan drawdown with current tenor less than one year under revolving facility with final maturity falling beyond one year.

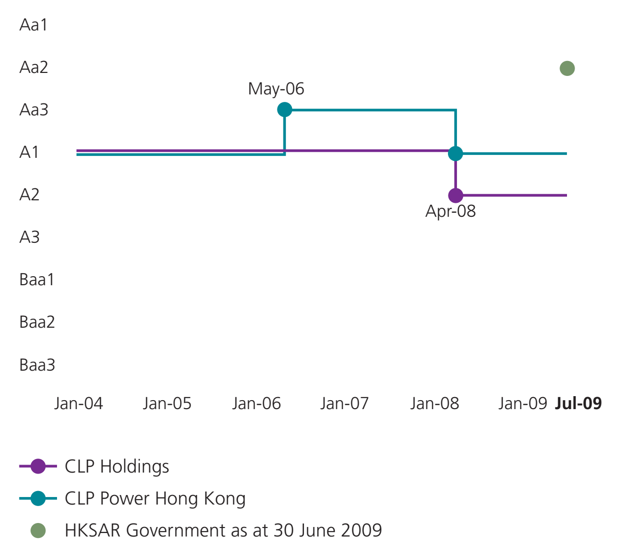
Credit Rating

There have been no downgrades or other adverse impacts on the credit ratings of CLP Holdings and CLP Power Hong Kong, even though the U.S. sub-prime turmoil caused market instability. All credit ratings of the Group's major entities have remained at investment grade. CLP's prudent approach to borrowings and risk management has enabled us to maintain good investment grade credit ratings, meet all commitments to our lenders, secure adequate financing to support our operations and investments and preserve the capacity to access the financial markets to support our future funding needs.

Standard & Poor's Long-term Credit Ratings – Foreign Currency and Local Currency



Moody's Long-term Credit Ratings – Foreign Currency and Local Currency



CLP Holdings

In June 2009, Moody's re-affirmed the A2 credit rating of CLP Holdings with stable outlook. This reflects the strong and predictable cash flows generated from CLP Power Hong Kong under a stable regulatory environment in Hong Kong as well as its sound liquidity profile, supported by the Group's good track record in accessing domestic and international bank and capital markets, and its well-managed debt maturity profile. CLP Holdings' credit profile also recognises the gradual and prudent approach of its management in pursuit of overseas expansion. Moody's warned that the lowering of SoC permitted return and leverage up of the SoC business would weaken CLP Holdings' financial profile from a strong level, and CLP Holdings' further expansion into non-regulated merchant energy and retail business in the region could raise the Group's overall business risk profile.

In June 2009, Standard & Poor's (S&P) re-affirmed the A- credit rating of CLP Holdings with stable outlook. This reflects the strength of its dominant asset, CLP Power Hong Kong operating in a stable and favourable regulatory environment and having strong financial flexibility in a tight credit market. S&P suggested that the strength which CLP Power Hong Kong brings to CLP Holdings is tempered by the parent's expansion into riskier assets in the Asia-Pacific region but S&P believed that CLP Group's good track record in prudent financial management with a balanced funding strategy should not unduly pressure CLP Holdings' financial profile, relative to the current rating, when CLP Holdings aspires to expand overseas.

Fitch has not altered its self-initiated A+ long-term issuer default rating to CLP Holdings with stable outlook.

CLP Power Hong Kong

In June 2009, Moody's re-affirmed the A1 credit rating of CLP Power Hong Kong with stable outlook. Moody's commented that the largely unchanged regulatory framework which offers a transparent tariff system, allowing 100% cost pass-through, will continue to provide CLP Power Hong Kong strong and highly predictable cash flow despite the lower permitted rate of return under the new SoC. Moody's suggested that CLP Power Hong Kong's liquidity profile is pressured by its projected high dividend payment to CLP Holdings and its capex plan, but Moody's drew comfort from CLP Power Hong Kong's good track record in accessing domestic and international bank and capital markets, as well as its well-managed debt maturity profile.

In June 2009, S&P re-affirmed the A credit rating of CLP Power Hong Kong with stable outlook. S&P stated that the credit rating reflected the stable and favourable regulatory environment in which CLP Power Hong Kong operates, a strong market position in its service area, a strong operating track record, and its strong financial flexibility despite a tight credit market. S&P expected CLP Power Hong Kong would maintain a modest financial profile at a time when it raises its debt leverage as it believed CLP Power Hong Kong would do so in a prudent manner which would maintain its strong financial flexibility.

Fitch has not altered its self-initiated A+ long-term issuer default rating to CLP Power Hong Kong with stable outlook.

TRUenergy Holdings

In May 2009, S&P downgraded TRUenergy Holdings' rating from BBB to BBB- and maintained negative credit-watch. According to S&P, the rating downgrade reflected TRUenergy's on-going debt-refinancing risk in the short term and diminishing financial flexibility in the medium term due to significant uncertainty on the implications of any CPRS.

Fitch has not altered its self-initiated BBB+ long-term issuer default rating to TRUenergy with stable outlook.

Risk Management

The Group's investments and operations have resulted in exposure to foreign currency risks, interest rate risks, credit risks, as well as the price risks associated with the sale and purchase of electricity in Australia. We actively manage these risks by using different derivative instruments with the objective of minimising the impact of rate and price fluctuations on earnings, reserves and tariff charges to customers. In meeting the objectives of risk management, we always prefer simple, cost-efficient and HKAS 39 hedge-effective instruments. For instance, we prefer foreign currency forward contracts, cross currency and interest rate swaps to options and structured products. We also monitor our risk exposures with the assistance of a "Value-at-Risk" (VaR) methodology and stress testing techniques. Other than very limited energy trading activities engaged by our Australian business, all derivative instruments are employed solely for hedging purposes.

Various risk factors faced by the Group and the management of them are set out in detail in our 2008 Annual Report at pages 109 to 119 and 198 to 204.

Condensed Consolidated Income Statement – Unaudited

	Note	2009 HK$M	2008 HK$M
		Six months ended 30 June	
Revenue	4, 5	23,503	27,534
Expenses			
Purchases of electricity, gas and distribution services		(8,494)	(9,337)
Operating lease and lease service payments		(4,063)	(4,083)
Staff expenses		(866)	(930)
Fuel and other operating expenses		(3,294)	(4,520)
Depreciation and amortisation		(2,073)	(2,459)
		(18,790)	(21,329)
Other income	6	–	489
Operating profit	7	4,713	6,694
Finance costs	8	(1,668)	(2,278)
Finance income	8	35	68
Share of results, net of income tax			
Jointly controlled entities	14	1,171	1,469
Associated companies	15	(356)	(12)
Profit before income tax		3,895	5,941
Income tax expense	9	(666)	(330)
Profit for the period		3,229	5,611
Loss / (profit) attributable to minority interests		6	(1)
Earnings attributable to shareholders		3,235	5,610
Dividends	10		
First interim paid		1,251	1,252
Second interim proposed		1,251	1,252
		2,502	2,504
Earnings per share, basic and diluted	11	HK$1.34	HK$2.33

The notes on pages 32 to 47 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	2009 HK$M	2009 HK$M	2008 HK$M	2008 HK$M
	Six months ended 30 June			
Profit for the period		3,229		5,611
Other comprehensive income				
Exchange differences on translation of				
Subsidiaries	2,571		1,318	
Jointly controlled entities	182		746	
Associated companies	58		28	
		2,811		2,092
Cash flow hedges				
Net fair value gains	93		238	
Transfer to income statement	(27)		158	
Transfer to assets	(6)		3	
Translation difference	22		22	
Tax on the above items	(29)		(80)	
		53		341
Share of other comprehensive income of jointly controlled entities		162		(151)
Transfer to income statement on disposal of jointly controlled entities		–		(188)
Other comprehensive income for the period, net of tax		3,026		2,094
Total comprehensive income for the period		6,255		7,705
Total comprehensive income attributable to:				
Shareholders of the Company		6,261		7,704
Minority interests		(6)		1
		6,255		7,705

The notes on pages 32 to 47 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position – Unaudited

	Note	30 June 2009 HK$M	31 December 2008 HK$M
Non-current assets			
Fixed assets	12	91,098	86,873
Leasehold land and land use rights	12	2,293	2,250
Goodwill and other intangible assets	13	7,334	6,324
Interests in jointly controlled entities	14	19,749	17,791
Interests in associated companies	15	25	242
Finance lease receivables		2,401	2,387
Deferred tax assets		3,315	2,992
Fuel clause account		324	800
Derivative financial instruments	16	1,567	1,505
Other non-current assets		684	482
		128,790	121,646
Current assets			
Inventories – stores and fuel		731	662
Trade and other receivables	17	9,086	8,239
Finance lease receivables		131	128
Derivative financial instruments	16	1,169	1,374
Bank balances, cash and other liquid funds		2,327	782
		13,444	11,185
Current liabilities			
Customers' deposits		(3,772)	(3,722)
Trade and other payables	18	(6,365)	(5,919)
Income tax payable		(496)	(366)
Bank loans and other borrowings	19	(5,179)	(3,313)
Obligations under finance leases	20	(1,441)	(1,403)
Derivative financial instruments	16	(1,183)	(1,198)
		(18,436)	(15,921)
Net current liabilities		(4,992)	(4,736)
Total assets less current liabilities		123,798	116,910
Financed by:			
Equity			
Share capital		12,031	12,031
Share premium		1,164	1,164
Other reserves			
Proposed dividends		1,251	2,214
Others		51,367	47,608
Shareholders' funds		65,813	63,017
Minority interests		99	105
		65,912	63,122
Non-current liabilities			
Bank loans and other borrowings	19	28,203	23,383
Obligations under finance leases	20	20,129	20,362
Deferred tax liabilities		6,707	6,435
Derivative financial instruments	16	543	837
Scheme of Control (SoC) reserve accounts	21	1,338	1,826
Other non-current liabilities		966	945
		57,886	53,788
Equity and non-current liabilities		123,798	116,910

W. E. Mocatta
Vice Chairman

Andrew Brandler
Chief Executive Officer

Mark Takahashi
Chief Financial Officer

Hong Kong, 18 August 2009

The notes on pages 32 to 47 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Attributable to Shareholders						
	Share Capital HK$M	Share Premium HK$M	Capital Redemption Reserve HK$M	Other Reserves HK$M	Retained Profits HK$M	Minority Interests HK$M	Total HK$M
Balance at 1 January 2009	12,031	1,164	2,492	(369)	47,699	105	63,122
Total comprehensive income for the period	–	–	–	3,026	3,235	(6)	6,255
Revaluation reserves realised upon depreciation	–	–	–	(1)	1	–	–
Appropriation of reserves of jointly controlled entities	–	–	–	4	(4)	–	–
Dividends paid							
2008 final	–	–	–	–	(2,214)	–	(2,214)
2009 interim (Note 10)	–	–	–	–	(1,251)	–	(1,251)
Balance at 30 June 2009	**12,031**	**1,164**	**2,492**	**2,660**	**47,466**	**99**	**65,912**
Balance at 1 January 2008	12,041	1,164	2,482	4,929	43,285	95	63,996
Total comprehensive income for the period	–	–	–	2,094	5,610	1	7,705
Revaluation reserves realised upon depreciation	–	–	–	(1)	1	–	–
Appropriation of reserves of jointly controlled entities	–	–	–	8	(8)	–	–
Dividends paid							
2007 final	–	–	–	–	(2,216)	–	(2,216)
2008 interim (Note 10)	–	–	–	–	(1,252)	–	(1,252)
Balance at 30 June 2008	12,041	1,164	2,482	7,030	45,420	96	68,233

Note: The proposed interim dividend at 30 June 2009 was HK$1,251 million (30 June 2008: HK$1,252 million) (Note 10) and the balance of retained profits after the proposed interim dividend was HK$46,215 million (30 June 2008: HK$44,168 million).

The notes on pages 32 to 47 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended 30 June			
	2009		2008	
	HK$M	HK$M	HK$M	HK$M
Operating activities				
Net cash inflow from operations	5,567		6,841	
Interest received	23		69	
Income tax paid	(191)		(213)	
Net cash inflow from operating activities		5,399		6,697
Investing activities				
Capital expenditure	(3,276)		(3,129)	
Capitalised interest paid	(137)		(189)	
Proceeds from disposal of fixed assets	9		9	
Additions of intangible assets	(25)		(89)	
Additions of other non-current assets	(39)		(32)	
Acquisition of a subsidiary	(145)		(124)	
Investments in and advances to jointly controlled entities	(1,753)		(428)	
Dividends received from jointly controlled entities	1,588		1,382	
Increase in bank deposits with maturities of more than three months	(14)		–	
Net cash outflow from investing activities		(3,792)		(2,600)
Net cash inflow before financing activities		1,607		4,097
Financing activities				
Proceeds from long-term borrowings	6,105		2,695	
Repayment of long-term borrowings	(1,172)		(1,829)	
Repayment of obligations under finance leases	(706)		(801)	
Increase in short-term borrowings	212		1,040	
Interest and other finance costs paid	(1,612)		(2,191)	
Dividends paid	(3,465)		(3,468)	
Net cash outflow from financing activities		(638)		(4,554)
Net increase / (decrease) in cash and cash equivalents		969		(457)
Cash and cash equivalents at beginning of period		780		2,160
Effect of exchange rate changes		110		51
Cash and cash equivalents at end of period		1,859		1,754
Analysis of balances of cash and cash equivalents				
Short-term investments		148		200
Deposits with banks		1,878		1,155
Cash at banks and on hand		301		910
Bank balances, cash and other liquid funds		2,327		2,265
Excluding:				
Cash restricted for specific purposes		(454)		(511)
Bank deposits with maturities of more than three months		(14)		–
		1,859		1,754

The notes on pages 32 to 47 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General Information

The Company, CLP Holdings Limited, and its subsidiaries are collectively referred to as the Group in the condensed consolidated interim financial statements. The Company is a limited liability company incorporated and listed in Hong Kong. The principal activity of the Company is investment holding whilst the principal activities of the subsidiaries are the generation and supply of electricity in Hong Kong, Australia and India, and investment holding of power projects in the Chinese mainland, Southeast Asia and Taiwan.

The financial operations of the Company's major subsidiary, CLP Power Hong Kong Limited (CLP Power Hong Kong), and its jointly controlled entity, Castle Peak Power Company Limited (CAPCO), are governed by a Scheme of Control (SoC) Agreement entered into with the Hong Kong Government. Our electricity business in Hong Kong is therefore also referred to as the SoC business. The SoC Agreement which took effect from 1 October 1993 expired on 30 September 2008 (1993 SoC). A new SoC Agreement immediately became effective 1 October 2008 (2008 SoC). The main features of these SoC agreements are summarised on pages 205 and 206 of the 2008 Annual Report.

The condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 18 August 2009.

2. Basis of Preparation[1]

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (HKAS) 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies used in the preparation of this set of condensed consolidated interim financial statements are consistent with those set out in the Group's annual financial statements for the year ended 31 December 2008, except that the Group has adopted the following new / revised Hong Kong Financial Reporting Standards (HKFRS) standards and interpretations:

- HKAS 1 (Revised) "Presentation of Financial Statements"
- HKAS 23 (Revised) "Borrowing Costs"
- HKFRS 8 "Operating Segments"
- HK(IFRIC)-Int 16 "Hedges of a Net Investment in a Foreign Operation"
- Amendments to HKFRS 7 "Financial Instruments: Disclosures" – Improving Disclosures about Financial Instruments
- HKICPA's improvements to HKFRS published in October 2008

Apart from certain presentational changes, the adoption of these new / revised HKFRS standards and interpretations has no significant impact on the Group's financial statements. Where necessary, comparative information has been reclassified and expanded from previously reported interim financial statements to take into account any presentational changes made in the annual financial statements or in these interim financial statements.

[1] Interim financial statements are a set of "condensed" financial statements which include fewer disclosures than the full set for the whole year. However, the current financial information presented represents our selection of disclosures (on top of the minimum prescribed disclosures) which we believe are the most important ones in order for readers to grasp the changes of the Group since last December. To understand our interim financial statements more effectively, we suggest readers might read these statements together with our 2008 Annual Report.

3. Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Apart from the Australia Carbon Pollution Reduction Scheme (CPRS) below, those areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Group's consolidated interim financial statements, are set out on pages 156 to 158 of the 2008 Annual Report.

Australia Carbon Pollution Reduction Scheme

Recent developments in climate change policy in Australia pose potentially significant financial risks to the Group's business in Australia. The position up to 31 December 2008 was disclosed on pages 156 and 157 of the 2008 Annual Report.

Following the release of the White Paper on 15 December 2008, an exposure draft of the CPRS legislation was introduced on 10 March 2009. This set out what would be required of participants in the Scheme and the mechanics of the Scheme. The Australian Government sought feedback from stakeholders on the terms of the draft legislation and its effectiveness in delivering the White Paper's policy positions.

New measures for the CPRS were announced by the Government on 4 May 2009, including a one year delay in the proposed start date for the CPRS to July 2011, a fixed price for carbon permits for the first year (A$10 / tonne) and a target of 25% reduction of 2000 levels by 2020.

The Government introduced a package of 11 emissions trading scheme bills into the Parliament on 14 May 2009[1]. On 4 June 2009, the lower house of parliament (House of Representatives) passed the legislation, allowing it to proceed to a vote in the upper house Senate. The legislation passed by 74 votes to 63 in the lower house, where the Government holds a majority.

The bills were debated in the upper house (Senate) during the June and August sittings of parliament and were ultimately defeated at a vote of 42 to 30 on 13 August 2009.

Notwithstanding the defeat of the legislation in the Senate, as the Government may reintroduce the legislation at some point in the future, significant uncertainty remains regarding the timing and structure of the CPRS. As such, the introduction of the CPRS presents an unquantifiable, but potentially material, market risk to the Group. At 30 June 2009, no impact of the CPRS has been reflected in the Group's financial statements (including impairment model cash flows, and assumptions on discount rate, asset useful lives, outage rates and capital expenditure) on the basis that there is currently significant uncertainty in relation to the likely structure, timing and impact of the CPRS.

The carrying amount of the Yallourn power station assets which comprise a single cash generating unit was A$1,695 million or HK$10,651 million at 30 June 2009 (31 December 2008: A$1,682 million or HK$9,036 million). Other parts of the Group may also be impacted adversely or favourably.

[1] Refer to Australian Government website http://www.climatechange.gov.au/emissionstrading/legislation/index.html

4. Segment Information

The Group operates, through its subsidiaries, jointly controlled entities and associated companies, in five major geographical regions – Hong Kong, Australia, the Chinese mainland, India, and Southeast Asia and Taiwan. In accordance with the Group's internal organisation and reporting structure, the operating segments are based on geographical regions. Substantially all the principal activities of the Group in each region are for the generation and supply of electricity which are managed and operated on an integrated basis.

Information about the Group's operations by geographical region is as follows:

	Hong Kong HK$M	Australia HK$M	Chinese Mainland HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2009							
Revenue	13,066	8,815	83	1,526	10	3	23,503
Segment results	4,106	582	(77)	320	(3)	(215)	4,713
Share of results, net of income tax							
Jointly controlled entities	541	(9)	392[(a)]	–	247	–	1,171
Associated companies	–	(356)	–	–	–	–	(356)
Profit / (loss) before net finance costs and income tax	4,647	217	315	320	244	(215)	5,528
Finance costs	(1,317)	(283)	(15)	(42)	–	(11)	(1,668)
Finance income	10	14	2	9	–	–	35
Profit / (loss) before income tax	3,340	(52)	302	287	244	(226)	3,895
Income tax expense	(399)	(110)	(28)	(129)	–	–	(666)
Profit / (loss) for the period	2,941	(162)	274	158	244	(226)	3,229
At 30 June 2009							
Segment assets							
Owned and leased fixed assets	72,474	15,446	1,640	1,489	–	49	91,098
Other segment assets	7,108	13,550	554	6,646	150	39	28,047
Interests in							
Jointly controlled entities	7,581	998	8,667	–	2,503	–	19,749
Associated companies	–	25	–	–	–	–	25
Deferred tax assets	–	3,250	65	–	–	–	3,315
Consolidated total assets	87,163	33,269	10,926	8,135	2,653	88	142,234

4. Segment Information (continued)

	Hong Kong HK$M	Australia HK$M	Chinese Mainland HK$M	India HK$M	Southeast Asia & Taiwan HK$M	Unallocated Items HK$M	Total HK$M
Six months ended 30 June 2008							
Revenue	15,074	10,069	75	2,301	13	2	27,534
Segment results	5,594	905	(32)	413	–	(186)	6,694
Share of results, net of income tax							
Jointly controlled entities	890	(5)	509[(a)]	–	75	–	1,469
Associated companies	–	(12)	–	–	–	–	(12)
Profit / (loss) before net finance costs and income tax	6,484	888	477	413	75	(186)	8,151
Finance costs	(1,815)	(416)	(14)	(24)	–	(9)	(2,278)
Finance income	1	23	2	34	–	8	68
Profit / (loss) before income tax	4,670	495	465	423	75	(187)	5,941
Income tax (expense) / credit	(96)	(106)	61	(159)	(1)	(29)	(330)
Profit / (loss) for the period	4,574	389	526	264	74	(216)	5,611
At 31 December 2008							
Segment assets							
Owned and leased fixed assets	71,869	13,001	1,588	373	–	42	86,873
Other segment assets	6,892	11,476	652	5,746	121	46	24,933
Interests in							
Jointly controlled entities	7,014	864	7,540	–	2,373	–	17,791
Associated companies	–	242	–	–	–	–	242
Deferred tax assets	–	2,925	67	–	–	–	2,992
Consolidated total assets	85,775	28,508	9,847	6,119	2,494	88	132,831

Note:

(a) Out of the HK$392 million (2008: HK$509 million), a major portion was attributed to investments in Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC) and Hong Kong Pumped Storage Development Company, Limited (PSDC), whose generating facilities serve Hong Kong.

5. Revenue

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
Sales of electricity	19,444	21,401
Lease service income[(a)]	1,302	2,067
Finance lease income	182	234
Sales of gas	1,996	2,484
Other revenue	285	355
	23,209	26,541
Transfer for SoC[(b)]	294	993
	23,503	27,534

Notes:

(a) In accordance with HKFRS-Int 4, servicing income and fuel costs received from lessees with respect to the leased assets are not part of the minimum lease payments under finance lease and are recognised as lease service income.

(b) Under the SoC, if the gross tariff revenue in Hong Kong in a period is less than or exceeds the total of the SoC operating costs, permitted return and taxation charges, such deficiency shall be deducted from, or such excess shall be added to, the Tariff Stabilisation Fund under the 2008 SoC — previously the Development Fund under the 1993 SoC (Note 21). In any period, the amount of deduction from or addition to these funds is recognised as revenue adjustment to the extent that the return and charges under the SoC are recognised in the income statement.

6. Other Income

In 2008, the Group sold its interest in SEAGas, a jointly controlled entity in Australia and realised a gain of HK$489 million.

7. Operating Profit

Operating profit is stated after charging / (crediting) the following:

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
Charging		
Staff costs		
Salaries and other costs	795	864
Retirement benefits costs	71	66
Net loss on disposal of fixed assets	37	67
Impairment of fixed assets	19	–
Coal mine subsidence of TRUenergy	1	96
Net fair value (gain) / loss on derivative financial instruments		
Cash flow hedges, transfer from equity to fuel and other operating expenses	(53)	160
Transactions not qualifying as hedges	105	170
Crediting		
Other net exchange gains	(44)	(15)

8. Finance Costs and Income

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
Finance costs:		
Interest expenses on		
Bank loans and overdrafts	322	454
Other borrowings		
Wholly repayable within five years	73	49
Not wholly repayable within five years	209	290
Finance charges under finance leases[(a)]	1,082	1,597
Tariff Stabilisation Fund / Development Fund[(b)]	1	59
Customers' deposits, fuel clause over-recovery and others	–	2
Other finance charges	62	26
Fair value loss / (gain) on derivative financial instruments		
Cash flow hedges, transfer from equity	26	(2)
Fair value hedges	54	27
Gain on hedged items in fair value hedges	(28)	(41)
Other net exchange gain on financing activities	(1)	–
	1,800	2,461
Less: amount capitalised	(132)	(183)
	1,668	2,278
Finance income:		
Interest income on short-term investments and bank deposits and fuel clause under-recovery	35	68

Notes:

(a) Finance charges under finance lease primarily relate to contingent rent in respect of the power purchase arrangement between CLP Power Hong Kong and CAPCO accounted for as finance lease in accordance with HKFRS-Int 4.

(b) CLP Power Hong Kong is required to credit, to a Rate Reduction Reserve in its financial statements, a charge of the average of one-month Hong Kong interbank offered rate on the average balance of the Tariff Stabilisation Fund under the current SoC effective 1 October 2008, and a charge at 8% per annum on the average balance of the Development Fund under the previous SoC up to 30 September 2008 (Note 21).

9. Income Tax Expense

Income tax in the condensed consolidated income statement represents the income tax of the Company and subsidiaries and is analysed below:

	Six months ended 30 June 2009 HK$M	2008 HK$M
Current income tax		
Hong Kong	255	355
Outside Hong Kong	64	65
	319	420
Deferred tax		
Hong Kong (note)	143	(230)
Outside Hong Kong	204	140
	347	(90)
	666	330

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits for the period. Income tax on profits assessable outside Hong Kong has been provided at the rates prevailing in the respective jurisdictions.

Note: In 2008, included a write-back of deferred tax liabilities of HK$327 million as the Hong Kong profits tax rate was reduced from 17.5% to 16.5%.

10. Dividends

	Six months ended 30 June 2009 HK$ per share	2009 HK$M	2008 HK$ per share	2008 HK$M
First interim dividend paid	0.52	1,251	0.52	1,252
Second interim dividend proposed	0.52	1,251	0.52	1,252
	1.04	2,502	1.04	2,504

At the Board meeting held on 18 August 2009, the Directors declared the second interim dividend of HK$0.52 per share. The second interim dividend is not reflected as a dividend payable in the interim financial statements, but as a separate component of the shareholders' funds at 30 June 2009.

11. Earnings per Share

The earnings per share are computed as follows:

	Six months ended 30 June	
	2009	2008
Earnings attributable to shareholders (HK$M)	3,235	5,610
Weighted average number of shares in issue (thousand shares)	2,406,143	2,408,246
Earnings per share (HK$)	1.34	2.33

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2009 (2008: nil).

12. Fixed Assets, Leasehold Land and Land Use Rights

Fixed assets, leasehold land and land use rights totalled HK$93,391 million at 30 June 2009 (31 December 2008: HK$89,123 million). Movements in the accounts are as follows:

	Fixed Assets					Leasehold Land and Land Use Rights[b]
	Freehold Land and Buildings		Plant, Machinery and Equipment			
	Owned	Leased[a]	Owned	Leased[a]	Total	
	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M
Net book value at 1 January 2009	8,292	4,615	56,800	17,166	86,873	2,250
Acquisition of a subsidiary	3	–	515	–	518	–
Additions	882	11	2,090	498	3,481	71
Transfers and disposals	(3)	(3)	(38)	(20)	(64)	–
Depreciation / amortisation	(87)	(133)	(1,178)	(547)	(1,945)	(28)
Impairment charge	(4)	–	(15)	–	(19)	–
Exchange differences	76	–	2,171	7	2,254	–
Net book value at 30 June 2009	**9,159**	**4,490**	**60,345**	**17,104**	**91,098**	**2,293**
Cost	11,861	9,697	92,801	37,131	151,490	2,590
Accumulated depreciation / amortisation and impairment	(2,702)	(5,207)	(32,456)	(20,027)	(60,392)	(297)
Net book value at 30 June 2009	**9,159**	**4,490**	**60,345**	**17,104**	**91,098**	**2,293**

12. Fixed Assets, Leasehold Land and Land Use Rights (continued)

Notes:

(a) The above leased assets mainly include CAPCO's operational generating plant and associated fixed assets, which are deployed for the generation of electricity supply to CLP Power Hong Kong under the Electricity Supply Contract between the two parties. This arrangement has been accounted for as a finance lease in accordance with HKFRS-Int 4. The net book value of these leased fixed assets amounted to HK$21,546 million at 30 June 2009 (31 December 2008: HK$21,752 million).

(b) Leasehold land is mainly held under medium-term (10 – 50 years) leases in Hong Kong. Leasehold land is considered under the SoC Agreement as one type of fixed assets on which permitted return is earned.

13. Goodwill and Other Intangible Assets

	Goodwill HK$M	Other Intangible Assets HK$M	Total HK$M
Net carrying value at 1 January 2009	5,205	1,119	6,324
Acquisition of a subsidiary	25	–	25
Additions	–	25	25
Amortisation	–	(100)	(100)
Exchange differences	880	180	1,060
Net carrying value at 30 June 2009	**6,110**	**1,224**	**7,334**
Cost	6,110	1,986	8,096
Accumulated amortisation	–	(762)	(762)
Net carrying value at 30 June 2009	**6,110**	**1,224**	**7,334**

Other intangible assets mainly include contracted customers and a lease arrangement under the long-term hedge agreement with Ecogen arising from the acquisition of the Australian energy business in May 2005.

14. Interests in Jointly Controlled Entities

	30 June 2009 HK$M	31 December 2008 HK$M
Share of net assets other than goodwill	12,065	10,601
Goodwill	339	273
Advances	7,345	6,917
	19,749	17,791

14. Interests in Jointly Controlled Entities (continued)

The Group's interests in jointly controlled entities are analysed as follows:

	30 June 2009 HK$M	31 December 2008 HK$M
CAPCO	7,307	6,740
GNPJVC	1,849	1,877
OneEnergy Limited	2,495	2,365
CSEC Guohua International Power Company Limited	2,444	2,109
Shandong Zhonghua Power Company, Limited	1,036	1,039
Roaring 40s Renewable Energy Pty Ltd	998	864
CLP Guangxi Fangchenggang Power Company Limited	897	976
Guizhou CLP Power Company Limited	551	522
PSDC	298	331
Others (note)	1,874	968
	19,749	17,791

Note: Includes our interests in the various Chinese jointly controlled entities acquired from Roaring 40s Renewable Energy Pty Ltd in 2009.

The Group's share of net assets and results of the jointly controlled entities are as follows:

	30 June 2009 HK$M	31 December 2008 HK$M
Non-current assets	37,687	34,771
Current assets	6,724	6,401
Current liabilities	(7,711)	(8,032)
Non-current liabilities	(22,965)	(21,238)
Minority interests	(1,331)	(1,028)
Net assets	12,404	10,874

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
Income	6,150	6,538
Expenses	(4,739)	(4,860)
Profit before income tax	1,411	1,678
Income tax expense	(238)	(163)
Minority interests	(2)	(46)
Share of profit for the period	1,171	1,469

15. Interests in associated companies

A provision for the investment in Solar Systems Pty Ltd is made resulting in a loss of HK$324 million (2008: nil). Together with related tax adjustment, the total loss is HK$346 million (2008: nil).

16. Derivative Financial Instruments

	30 June 2009		31 December 2008	
	Assets HK$M	Liabilities HK$M	Assets HK$M	Liabilities HK$M
Cash flow hedges				
Forward foreign exchange contracts	583	141	677	34
Cross currency & interest rate swap	227	81	–	49
Interest rate swaps	8	355	–	485
Energy contracts	756	405	696	427
Fair value hedge				
Cross currency & interest rate swap	193	–	252	5
Held for trading or not qualifying as hedges				
Forward foreign exchange contracts	346	185	356	303
Energy contracts	623	559	898	732
	2,736	1,726	2,879	2,035
Analysed as:				
Current	1,169	1,183	1,374	1,198
Non-current	1,567	543	1,505	837
	2,736	1,726	2,879	2,035

17. Trade and Other Receivables

	30 June 2009 HK$M	31 December 2008 HK$M
Trade receivables (note)	6,893	5,655
Deposits, prepayments and other receivables	2,122	2,085
Dividends receivable from jointly controlled entities	2	452
Current accounts with jointly controlled entities	69	47
	9,086	8,239

17. Trade and Other Receivables (continued)

Note: The Group has established credit policies for customers in each of its core businesses. CLP Power Hong Kong's credit policy in respect of receivables arising from its principal electricity business is to allow customers to settle their electricity bills within two weeks after issue. Customers' receivable balances are generally secured by cash deposits or bank guarantees. For subsidiaries outside Hong Kong, the credit term for trade receivables ranges from about 30 to 60 days.

The ageing analysis of the trade receivables is as follows:

	30 June 2009				31 December 2008			
	Not impaired HK$M	Impaired HK$M	Provision for impairment HK$M	Total HK$M	Not impaired HK$M	Impaired HK$M	Provision for impairment HK$M	Total HK$M
Not yet due	5,827	482	(28)	6,281	5,173	28	(3)	5,198
Overdue								
1 – 30 days	93	276	(23)	346	285	23	(23)	285
31 – 90 days	30	152	(35)	147	58	75	(36)	97
Over 90 days	3	350	(234)	119	2	268	(195)	75
	5,953	1,260	(320)	6,893	5,518	394	(257)	5,655

Receivables overdue over 90 days mainly relate to balances in Australia and India.

18. Trade and Other Payables

	30 June 2009 HK$M	31 December 2008 HK$M
Trade payables[(a)]	2,818	2,113
Other payables and accruals	2,076	2,376
Current accounts with jointly controlled entities[(b)]	1,471	1,430
	6,365	5,919

Notes:

(a) The ageing analysis of the trade payables is as follows:

	30 June 2009 HK$M	31 December 2008 HK$M
Below 30 days (including amount not yet due)	2,779	2,099
31 – 90 days	29	9
Over 90 days	10	5
	2,818	2,113

(b) Of the amounts payable to jointly controlled entities, HK$1,165 million (31 December 2008: HK$1,212 million) was due to CAPCO.

19. Bank Loans and Other Borrowings

	30 June 2009 HK$M	31 December 2008 HK$M
Current		
Short-term bank loans	2,356	2,600
Long-term bank loans	2,823	713
	5,179	3,313
Non-current		
Long-term bank loans	12,644	11,323
Other long-term borrowings		
MTN programme (USD) due 2012	2,550	2,578
MTN programme (HKD) due 2012 to 2015	5,020	3,340
MTN programme (HKD) due 2016	1,000	1,000
MTN programme (HKD) due 2017	1,000	1,000
MTN programme (HKD) due 2023	400	400
MTN programme (JPY) due 2024	1,209	–
Electronic Promissory Notes (EPN) and MTN programme (AUD) due 2012	4,066	3,474
EPN and MTN programme (AUD) due 2015	314	268
	28,203	23,383
Total borrowings	33,382	26,696

20. Obligations under Finance Leases

The Group's obligations under finance leases arise from the power purchase arrangements which are accounted for as finance leases in accordance with HKFRS-Int 4. At 30 June 2009, the Group's obligations represented predominantly its arrangement with CAPCO in respect of the operational generating plant and associated fixed assets of the Hong Kong electricity business.

21. SoC Reserve Accounts

The Tariff Stabilisation Fund and Rate Reduction Reserve of the Group's major subsidiary, CLP Power Hong Kong, are collectively referred to as SoC reserve accounts. The respective balances at the end of the period / year are:

	30 June 2009 HK$M	31 December 2008 HK$M
Tariff Stabilisation Fund	1,338	1,756
Rate Reduction Reserve	–	70
	1,338	1,826

22. Commitments

(A) Capital expenditure on fixed assets, leasehold land and land use rights, as well as intangible assets authorised but not brought into the interim financial statements is as follows:

	30 June 2009 HK$M	31 December 2008 HK$M
Contracted but not provided for	14,435	4,008
Authorised but not contracted for	9,953	17,952
	24,388	21,960

(B) The Group has entered into a number of joint venture arrangements to develop power projects in the Chinese mainland. At 30 June 2009, remaining equity contributions of HK$256 million (31 December 2008: HK$629 million) would be required to be made by the Group.

(C) CLP Power Hong Kong has a commitment to provide all the necessary shareholder's advances to CAPCO for financing the installation of emissions control facilities at Castle Peak "B" Power Station. The funding commitment is contingent upon the serving of advance notice from ExxonMobil Energy Limited to CLP Power Hong Kong with the effective date falling within the period from 2 October 2008 to three months after the commissioning of the first unit of the emissions control facilities. Such shareholder advances will be unsecured, interest free with no fixed term of repayment, but are eligible for permitted return and net return applicable to the emissions control facilities. The maximum shareholder's advances, if requested, are estimated to be HK$5,130 million (31 December 2008: HK$5,530 million) and expected to occur in 2011.

(D) The Group has entered into a Share Transfer Agreement with the China Guangdong Nuclear Power Corporation and Guangdong Nuclear Investment Corporation to purchase 32% of CGNPC Wind Power Company, Limited. The consideration is RMB1,047 million (HK$1,187 million) and is payable following People's Republic of China Government approval which is expected in 2009.

23. Related Party Transactions

Below are the more significant transactions with related parties for the period ended 30 June:

(A) Purchases of electricity and gas from jointly controlled entities and associated companies

(i) Details of electricity supply contracts relating to the electricity business in Hong Kong with jointly controlled entities are shown below:

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
Lease and lease service payment to CAPCO	5,894	6,381
Purchases of nuclear electricity	2,277	2,312
Pumped storage service fee	192	187
	8,363	8,880

23. Related Party Transactions (continued)

(ii) Gascor Pty Ltd (Gascor), an associated company, is a party to a gas supply contract in Victoria with Esso Australia Resources Pty Ltd (Esso) and BHP Billiton Petroleum (Bass Strait) Pty Ltd (BHP). The contract terms between Gascor and Esso / BHP are effectively replicated in the Master Agreement between TRUenergy and Gascor. TRUenergy purchases gas at the wholesale market price from Gascor, which in turn obtains the gas from Esso and BHP. The amount paid to Gascor during the period was HK$144 million (2008: HK$294 million).

Amounts due to the related parties at 30 June 2009 are disclosed in Note 18.

(B) Rendering of services to jointly controlled entities

Pursuant to the CAPCO Operating Service Agreement, the charges from CLP Power Hong Kong to CAPCO for the services rendered during the period amounted to HK$545 million (2008: HK$518 million).

Amounts due from the related parties at 30 June 2009 are disclosed in Note 17. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

(C) The advances made to jointly controlled entities are disclosed under Note 14. At 30 June 2009, the Group did not have any guarantees which were of significant amount given to or received from these entities.

(D) The total remuneration of the key management personnel is shown below:

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
Fees	4	4
Base compensation, allowances and benefits in kind	22	20
Tax equalisation, allowances and benefits in kind for secondment to overseas offices	7	9
Performance bonus		
Annual incentive	24	27
Long-term incentive	10	7
Provident fund contributions	3	3
	70	70

Key management personnel at 30 June 2009 comprised seventeen (2008: seventeen) Non-executive Directors, three (2008: three) Executive Directors and nine (2008: seven) senior management personnel.

24. Contingent Liabilities

Under the original power purchase agreement between Gujarat Paguthan Energy Corporation Private Limited (GPEC) and its off-taker Gujarat Urja Vikas Nigam Ltd. (GUVNL), GUVNL was required to make a "deemed generation incentive" payment to GPEC when the plant availability was above 68.5% (70% as revised subsequently). GUVNL has been making such payments since December 1997. In September 2005, GUVNL filed a petition before the Gujarat Electricity Regulatory Commission (GERC) claiming that the "deemed generation incentive" payment should not be paid for the period when the plant was declared with its availability on "naphtha" as fuel rather than on "gas". GUVNL's contention is based on a 1995 Government of India notification which disallowed "deemed generation incentive" for naphtha-based power plants. The total amount of the claim plus interest amounts to about HK$1,177 million (31 December 2008: HK$1,157 million).

On 18 February 2009, the GERC made an adjudication on GUVNL's claim. On the substantive issue, the GERC decided that the "deemed generation incentive" was not payable when GPEC's plant was declared with its availability on naphtha. However, the GERC also decided that GUVNL's claim in respect of deemed generation payments up to 14 September 2002 was time-barred under the Limitations Act of India. Hence, the total amount of the claim allowed by the GERC was reduced to HK$421 million. GPEC filed an appeal with the Appellate Tribunal for Electricity ("ATE") against the decision of the GERC and the appeal process has commenced. A partial stay of the GERC decision has been granted pending the outcome of the appeal. Under the stay GPEC has paid INR500 million (HK$81 million) to GUVNL as deposits and GUVNL are prevented from recovering the balance of the sum awarded by the GERC.

GUVNL has also filed an appeal in the ATE against an Order of the GERC rejecting GUVNL's claims on interest on deemed loan. GUVNL has claimed that GPEC has wrongly claimed interest under the existing power purchase agreement on two main grounds: (i) GPEC had agreed that interest paid by GUVNL for the period from December 1997 to 1 July 2003 was to be refunded; and (ii) interest was to be calculated on a reducing balance rather than on the basis of a bullet repayment on expiry of the loan term. The total amount of the claim plus interest amounts to HK$135 million.

On the basis of legal advice obtained, the Directors are of the opinion that GPEC is on strong ground on both cases. In consequence, no provision has been made in the financial statements at this stage in respect of these matters.

Report on Review of Interim Financial Statements

To the Board of Directors of CLP Holdings Limited

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 27 to 47 which comprise the condensed consolidated statement of financial position of CLP Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material aspects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 18 August 2009

Scheme of Control Statement – Unaudited

The electricity-related operations of CLP Power Hong Kong and CAPCO (the SoC Companies) have been governed by the 1993 SoC Agreement (up to 30 September 2008) and 2008 SoC Agreement (from 1 October 2008) with the Hong Kong Government, a summary of which is on pages 205 and 206 in the 2008 Annual Report. The calculations shown below are in accordance with the corresponding SoC and the agreements between the SoC Companies.

	Six months ended 30 June	
	2009 HK$M	2008 HK$M
SoC revenue	12,684	13,958
Expenses		
Operating costs	1,419	1,718
Fuel	3,043	2,763
Purchases of nuclear electricity	2,277	2,312
Provision for asset decommissioning	124	–
Depreciation	1,549	1,891
Operating interest	252	267
Taxation	681	769
	9,345	9,720
Profit after taxation	3,339	4,238
Interest on increase in customers' deposits	–	2
Interest on borrowed capital	296	308
Adjustments required under the SoC (being share of profit on sale of electricity to the Chinese mainland attributable to the SoC Companies)	(52)	(66)
Profit for SoC	3,583	4,482
Transfer from Development Fund	–	993
Transfer from Tariff Stabilisation Fund	418	–
Permitted return	4,001	5,475
Deduct interest		
On increase in customers' deposits	–	2
On borrowed capital as above	296	308
On Development Fund transferred to Rate Reduction Reserve	–	59
On Tariff Stabilisation Fund transferred to Rate Reduction Reserve	1	–
	297	369
Net Return	3,704	5,106
Divisible as follows:		
CLP Power Hong Kong	2,405	3,325
CAPCO	1,299	1,781
	3,704	5,106
CLP Power Hong Kong's share of net return		
CLP Power Hong Kong	2,405	3,325
Interest in CAPCO	520	715
	2,925	4,040

Corporate Governance

Corporate Governance Practices

In the Corporate Governance Report of 26 February 2009, which was published in our 2008 Annual Report, we reported that the Company had adopted its own Code on Corporate Governance (CLP Code) on 28 February 2005, which incorporated all of the Code Provisions and Recommended Best Practices in the "Code on Corporate Governance Practices" issued by the Hong Kong Stock Exchange (the Stock Exchange Code), save for one exception.

This single deviation from the Recommended Best Practices of the Stock Exchange Code relates to the recommendation that an issuer should announce and publish quarterly financial results. The considered reasons for this deviation were stated in the Corporate Governance Report on page 96 of the Company's 2008 Annual Report. Although CLP does not issue quarterly financial results, CLP issues quarterly statements which set out key financial and business information such as revenue, electricity sales, interim dividends and progress in major business activities over the quarter.

In the Corporate Governance Report we also described the structure of CLP's Corporate Governance Framework and how the various key players are involved in ensuring the application of good governance practices and policies within the CLP Group. The progress made in 2008 in the evolution of CLP's corporate governance practices was set out in the Corporate Governance Report on page 96 of the Company's 2008 Annual Report. In 2009, we made further progress in our corporate governance practices, including updating CLP's Code for Securities Transactions (CLP Securities Code), and formalising current practices in monitoring developments in our businesses for potentially price-sensitive information and communicating such information to our shareholders, the media and analysts into a set of Continuous Disclosure Obligation Procedures. These procedures are being finalised and will be published on CLP's website.

During the first half of 2009, there have been a number of changes to the Board:

- Ms. Marjorie M. T. Yang resigned as an Independent Non-executive Director on 20 January 2009.
- Mr. Nicholas C. Allen was appointed an Independent Non-executive Director with effect from 12 May 2009.
- Mr. Peter P. W. Tse, formerly Group Executive Director & Chief Financial Officer, was succeeded as Chief Financial Officer by Mr. Mark Takahashi on 1 June 2009, a member of the Senior Management of the Company. Mr. Tse continues to serve as an Executive Director on the Board with an active role in the monitoring of all CLP Group activities, working closely with the Chief Executive Officer. This role includes a particular emphasis on the oversight of all aspects of CLP's activities in the Chinese mainland.

As at 30 June 2009 the composition of the Board of CLP Holdings was as follows:

Non-executive Directors	Independent Non-executive Directors	Executive Directors
The Honourable Sir Michael Kadoorie	The Honourable Sir Sze Yuen Chung	Mr. Andrew Clifford Winawer Brandler
Mr. William Elkin Mocatta	Mr. Vernon Francis Moore	Mr. Tse Pak Wing Peter
Mr. Ronald James McAulay	Mr. Loh Chung Hon Hansen	Mr. Peter William Greenwood
Mr. John Andrew Harry Leigh	Mr. Kan Man Lok Paul	
Mr. Rudolf Bischof	Professor Tsui Lam Sin Lai Judy	
Mr. Ian Duncan Boyce	Sir Roderick Ian Eddington	
Mr. Jason Holroyd Whittle	Mr. Lee Ting Chang Peter	
Dr. Lee Yui Bor	Mr. Nicholas Charles Allen	
Mr. Paul Arthur Theys		

Directors' biographies are set out on CLP's website.

The composition of Board Committees remains the same as set out in the Corporate Governance Report (pages 100, 101 and 120), save for the following changes:

- Mr. Nicholas C. Allen was appointed a member of the Audit Committee with effect from 12 May 2009.
- The China Committee was abolished with effect from 13 May 2009, and all significant matters relating to China are considered by the full Board.
- Mr. Mark Takahashi, currently Group Director & Chief Financial Officer, was appointed as a member of the Provident & Retirement Fund Committee, in place of Mr. Peter P. W. Tse, with effect from 1 June 2009.
- Mr. Mark Takahashi was appointed a member of the Finance & General Committee with effect from 1 June 2009.

There were no substantial changes to the information of Directors as disclosed on pages 6 and 7 of the 2008 Annual Report and on CLP's website. The positions held by each Director with CLP Holdings' subsidiary companies and their directorships held in the last three years in public companies are updated in each Director's biography and disclosed on CLP's website.

There has been no change to the basis of determining Directors' remuneration. The levels of fees payable to Non-executive Directors and Independent Non-executive Directors for serving on the Board and Board Committees remain unchanged to those set out on page 124 of the 2008 Annual Report. The base compensation for Executive Directors for 2009 remains at the level set by the Human Resources & Remuneration Committee in February 2008 and which took effect on 1 April 2008. There was no adjustment this year – base compensation was frozen in recognition of the prevailing economic climate.

In respect of the year ended 31 December 2008, the Board considered CLP's internal control system effective and adequate. During the six months ended 30 June 2009, no significant areas of concern that might affect shareholders were identified. One out of the 11 reports on the Group's affairs submitted by Group Internal Audit during this period carried an unsatisfactory audit opinion. The issues arising from the audit are being addressed. Details of the standards, processes and effectiveness of CLP's internal control system were set out in the Corporate Governance Report on pages 105 to 107 of the Company's 2008 Annual Report.

During the six months ended 30 June 2009 the Company met the Code Provisions set out in the Stock Exchange Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules).

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009. All of the Audit Committee members are appointed from the Independent Non-executive Directors, with the Chairman and two members having appropriate professional qualifications and experience in financial matters.

At the Company's Annual General Meeting held on 28 April 2009, shareholders approved the re-appointment of PricewaterhouseCoopers as the Company's External Auditors for the financial year ended 31 December 2009.

Interests in CLP Holdings' Securities

Since 1989, the Company has adopted its own CLP Securities Code, which is largely based on the Model Code set out in Appendix 10 of the Listing Rules. The CLP Securities Code has been updated from time to time to reflect new regulatory requirements as well as CLP Holdings' strengthened regime of disclosure of interests in its securities. The current CLP Securities Code is on terms no less exacting than the required standard set out in the Model Code. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and CLP Securities Code throughout the period from 1 January to 30 June 2009.

We have voluntarily extended the ambit of the CLP Securities Code to cover Senior Management (comprising the three Executive Directors, Group Director – Managing Director Hong Kong, Group Director – Managing Director Australia, Managing Director – China, Managing Director – India, Managing Director – Southeast Asia, Group Director & Chief Financial Officer, Group Director – Operations, Group Director – Carbon Ventures and Group Director – Corporate Finance and Development, whose biographies are set out on CLP's website) and other "Specified Individuals" such as senior managers in the CLP Group.

With respect to this voluntary extension of the CLP Securities Code to Senior Management, a member of the Senior Management who is not a Director of the Company advised the Company in July 2009 that his spouse had purchased 2,000 shares in CLP Holdings in June 2009. As soon as he himself became aware of this purchase, he brought the matter to the attention of the Company and updated the Company with the details of his interests in CLP Holdings' securities. The other members of the Senior Management have all confirmed, following specific enquiry by the Company, that throughout the period from 1 January to 30 June 2009 they complied with the required standard set out in the Model Code and CLP Securities Code.

Save for the interests disclosed below by the three Executive Directors, the interests in 2,600 shares disclosed by the Group Director – Operations and the interests in 600 shares disclosed by the Managing Director – China, the other members of the Senior Management did not have any interests in CLP Holdings' securities as at 30 June 2009.

Interests of Directors and Chief Executive Officer

The interests / short positions of each of the Directors and Chief Executive Officer in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of the Securities and Futures Ordinance) as at 30 June 2009, as recorded in the register required to be kept under Section 352 of Part XV of the Securities and Futures Ordinance, are set out in the table and explanatory notes below:

1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

The interests of Directors and Chief Executive Officer in the shares of the Company (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 30 June 2009 were as follows:

Directors	Capacity	Total Interests in Number of Ordinary Shares of the Company	% of the Issued Share Capital of the Company
The Hon. Sir Michael Kadoorie	Note (a)	475,381,026	19.75697
Mr. W. E. Mocatta	Founder of a discretionary trust	250,000	0.01039
Mr. R. J. McAulay	Note (b)	439,800,565	18.27824
The Hon. Sir S. Y. Chung	Beneficial owner	393,789	0.01637
Mr. J. A. H. Leigh	Note (c)	402,050,991	16.70935
Mr. R. Bischof	Beneficial owner	50,000	0.00208
Mr. Andrew Brandler (Chief Executive Officer)	Note (d)	10,600	0.00044
Mr. Peter P. W. Tse	Note (e)	20,600	0.00086
Dr. Y. B. Lee	Note (f)	15,806	0.00066
Mr. Jason Whittle	Note (g)	238,409,771	9.90838
Mr. Peter W. Greenwood	Beneficial owner	600	0.00002

Notes:

(a) The Hon. Sir Michael Kadoorie was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 475,381,026 shares in the Company. These shares were held in the following capacity:

i) 1,243 shares were held by his spouse, Lady Kadoorie in a personal capacity.

ii) 236,335,571 shares were ultimately held by discretionary trusts, of which The Hon. Sir Michael Kadoorie is one of the beneficiaries and / or discretionary objects.

iii) 239,044,212 shares were ultimately held by discretionary trusts, of which The Hon. Sir Michael Kadoorie is one of the beneficiaries and the founder.

For the purpose of the Securities and Futures Ordinance, the spouse of The Hon. Sir Michael Kadoorie was taken to have a discloseable duty in Hong Kong in relation to the shares referred to in (ii) and (iii) above. The spouse of The Hon. Sir Michael Kadoorie was therefore deemed to be interested in 475,381,026 shares in the Company representing approximately 19.76% of the issued share capital of the Company, of which 1,243 shares were held by her in a personal capacity and 236,335,571 and 239,044,212 shares were attributed to her pursuant to the Securities and Futures Ordinance for disclosure purposes. Nevertheless, she has no interest, legal or beneficial, in these 236,335,571 and 239,044,212 shares attributed to her for disclosure purposes.

(b) Mr. R. J. McAulay was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 439,800,565 shares in the Company. These shares were held in the following capacity:

i) 13,141 shares were held in a personal capacity.

ii) 236,335,571 shares were ultimately held by discretionary trusts, of which Mr. R. J. McAulay is one of the discretionary objects.

iii) 203,451,853 shares were ultimately held by a discretionary trust, of which Muriel, Lady Kadoorie, mother-in-law of Mr. R. J. McAulay, is the founder and a beneficiary and Mr. R. J. McAulay, his wife and members of his family are discretionary objects.

(c) Mr. J. A. H. Leigh was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 402,050,991 shares in the Company. These shares were held in the following capacity:

i) 57,000 shares were held in a beneficial owner capacity.

ii) 198,542,138 shares were ultimately held by discretionary trusts. Mr. J. A. H. Leigh was deemed to be interested in such 198,542,138 shares in his capacity as one of the trustees of a trust which was deemed to be interested in such 198,542,138 shares.

iii) 203,451,853 shares were ultimately held by a discretionary trust. Mr. J. A. H. Leigh was deemed to be interested in such 203,451,853 shares in his capacity as one of the trustees of a trust which was deemed to be interested in such 203,451,853 shares.

(d) 600 shares were held in a personal capacity and 10,000 shares were held in a beneficial owner capacity.

(e) 600 shares were held in a personal capacity and 20,000 shares were held in a beneficial owner capacity.

(f) 600 shares were held in a personal capacity and 15,206 shares were held jointly with spouse.

(g) Mr. Jason Whittle was deemed (by virtue of the Securities and Futures Ordinance) to be interested in 238,409,771 shares in the Company. These shares were held in the following capacity:

i) 600 shares were held in a personal capacity.

ii) 236,335,571 shares were ultimately held by discretionary trusts, of which Mr. Jason Whittle is one of the discretionary objects.

iii) 2,073,600 shares were ultimately held by a discretionary trust, of which Mr. Jason Whittle is one of the discretionary objects.

Messrs. I. D. Boyce, V. F. Moore, Hansen C. H. Loh, Paul M. L. Kan, Peter T. C. Lee, Paul A. Theys and Nicholas C. Allen, Professor Judy Tsui and Sir Rod Eddington who are Directors of the Company, and Mr. Neo Kim Teck who is an Alternate Director, have each confirmed that they had no interests in the shares of the Company or any of its associated corporations as at 30 June 2009.

None of the Directors or the Chief Executive Officer had interests in debentures, under equity derivatives or in underlying shares of the Company and its associated corporations as at 30 June 2009.

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors or the Chief Executive Officer had short positions in respect of shares, debentures, under equity derivatives or interests in underlying shares of the Company and its associated corporations as at 30 June 2009.

At no time during the period was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors and the Chief Executive Officer of the Company (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

Interests of Substantial Shareholders

The interests / short positions of substantial shareholders in the shares and underlying shares of the Company as at 30 June 2009, as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, are set out in the table and explanatory notes below:

1. Aggregate long position in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds) as at 30 June 2009.

Substantial Shareholders	Capacity	Total Interests in Number of Ordinary Shares of the Company		% of the Issued Share Capital of the Company
Acorn Holdings Corporation	Beneficiary	236,335,571	Note (a)	9.82
Bermuda Trust Company Limited	Trustee / Interests of controlled corporations	678,831,636	Note (a)	28.21
Bermuda Trust (Cayman) Limited	Trustee / Interests of controlled corporations	399,920,391	Note (b)	16.62
HWR Trustees Limited (now known as Harneys Trustees Limited)	Interests of controlled corporations	240,482,771	Note (a)	9.99
Lakshmi Company Limited	Beneficiary	196,468,538	Note (a)	8.17
Merlin Investments Limited	Beneficiary	196,468,538	Note (a)	8.17
Mikado Holding Inc. (now known as New Mikado Holding Inc.)	Trustee	239,044,212	Note (a)	9.93
Mikado Investments Limited (now known as Mikado Investments (PTC) Limited)	Interest of controlled corporation / Beneficiary of trusts	239,044,212	Note (a)	9.93
Muriel, Lady Kadoorie	Founder and Beneficiary	203,451,853	Note (b)	8.46
New Boron Holding Corporation	Trustee	200,615,738	Note (a)	8.34
Oak CLP Limited	Beneficiary	196,554,172	Note (b)	8.17
Oak (Unit Trust) Holdings Limited	Trustee	196,554,172	Notes (a) & (b)	8.17
Mr. R. Parsons	Trustee	401,993,991	Note (c)	16.71
The Hon. Sir Michael Kadoorie	Note (d)	475,381,026	Note (d)	19.76
Mr. R. J. McAulay	Note (e)	439,800,565	Note (e)	18.28
Mr. Jason Whittle	Note (f)	238,409,771	Note (f)	9.91
Guardian Limited	Beneficiary / Interests in controlled corporations	401,993,991	Note (c)	16.71
The Mikado Private Trust Company Limited	Trustee / Interests in controlled corporations	475,379,783	Note (a)	19.76
Mr. J. A. H. Leigh	Note (c)	402,050,991	Note (c)	16.71
Goshawk Investments Limited (now known as Merlin Investments No. 2 Limited)	Beneficiary	198,542,138	Note (a)	8.25
Lawrencium Mikado Holdings Limited	Beneficiary	239,044,212	Note (a)	9.93
The Magna Foundation	Beneficiary	239,044,212	Note (a)	9.93
Lawrencium Holdings Limited	Beneficiary	236,335,571	Note (a)	9.82

Notes:

(a) The interests of Bermuda Trust Company Limited in the shares of the Company include the interests in the Company held by Acorn Holdings Corporation, Goshawk Investments Limited (now known as Merlin Investments No. 2 Limited), Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited, The Magna Foundation, The Mikado Private Trust Company Limited, Mikado Holding Inc. (now known as New Mikado Holding Inc.), Mikado Investments Limited (now known as Mikado Investments (PTC) Limited), Oak (Unit Trust) Holdings Limited, Lakshmi Company Limited and Merlin Investments Limited and also the majority of Mr. J. A. H. Leigh's deemed interests.

The interests of Bermuda Trust Company Limited in the shares of the Company also include the shares held by discretionary trusts of which The Hon. Sir Michael Kadoorie and / or Mr. R. J. McAulay and / or Mr. Jason Whittle are among the discretionary objects as disclosed in "Interests of Directors and Chief Executive Officer".

Bermuda Trust Company Limited was deemed to be interested in the shares in which Acorn Holdings Corporation, Mikado Holding Inc. (now known as New Mikado Holding Inc.), Mikado Investments Limited (now known as Mikado Investments (PTC) Limited), Oak (Unit Trust) Holdings Limited and Goshawk Investments Limited (now known as Merlin Investments No. 2 Limited) were interested, either in the capacity as trustee or by virtue of having direct or indirect control over such companies.

Bermuda Trust (Cayman) Limited controlled Lakshmi Company Limited and Merlin Investments Limited and was therefore deemed to be interested in the shares in which Lakshmi Company Limited and Merlin Investments Limited were interested. The Company has been advised that Lakshmi Company Limited, Merlin Investments Limited, Acorn Holdings Corporation and Lawrencium Holdings Limited were deemed to be interested in the same 196,468,538 shares in which New Boron Holding Corporation was deemed to be interested.

The Mikado Private Trust Company Limited controlled Lawrencium Holdings Limited, Lawrencium Mikado Holdings Limited and another company and was therefore deemed to be interested in the shares in which such companies were deemed to be interested.

HWR Trustees Limited (now known as Harneys Trustees Limited) controlled New Boron Holding Corporation and was therefore deemed to be interested in the shares in which New Boron Holding Corporation was interested. HWR Trustees Limited (now known as Harneys Trustees Limited) was also deemed to be interested in 39,867,033 shares through other controlled corporations controlled by it.

In addition, the Company was notified by Oak (Unit Trust) Holdings Limited that it was interested in 196,554,172 shares as at 26 August 2003. However, Bermuda Trust Company Limited indicated in its disclosure form that as at 24 June 2005, it was interested in, inter alia, 203,451,853 shares through its wholly-owned subsidiary, Oak (Unit Trust) Holdings Limited. Therefore, Oak (Unit Trust) Holdings Limited was interested in the same 203,451,853 shares as at 24 June 2005 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

(b) The interests of Bermuda Trust (Cayman) Limited in the shares of the Company include the interests in the Company in which Oak CLP Limited, Oak (Unit Trust) Holdings Limited and Muriel, Lady Kadoorie were deemed to be interested.

The interests of Muriel, Lady Kadoorie in 203,451,853 shares of the Company include shares in which Mr. R. J. McAulay, Mr. J. A. H. Leigh and Mr. R. Parsons were deemed to be interested.

Bermuda Trust (Cayman) Limited was also interested in the 203,451,853 shares by virtue of its capacity as trustee of a trust of which Muriel, Lady Kadoorie is the founder and a beneficiary and Mr. R. J. McAulay is one of the discretionary objects. Bermuda Trust (Cayman) Limited, in its capacity as trustee of a discretionary trust, controlled Oak CLP Limited and was therefore deemed to be interested in the shares in which Oak CLP Limited was interested. The Company was notified by Oak CLP Limited that it was interested in 196,554,172 shares as at 26 August 2003. However, Bermuda Trust (Cayman) Limited indicated in its disclosure form that as at 5 February 2004, it was interested in 203,451,853 shares through its wholly-owned subsidiary, Oak CLP Limited. Therefore, Oak CLP Limited was interested in the same 203,451,853 shares as at 5 February 2004 but was not itself under a duty to notify the Company of the change under the Securities and Futures Ordinance.

(c) Mr. R. Parsons and Mr. J. A. H. Leigh, in their capacities as trustees of a trust, jointly controlled Guardian Limited and therefore were deemed to be interested in the shares in which Guardian Limited was deemed to be interested. Accordingly, the 401,993,991 shares in which Guardian Limited was interested is duplicated within the interests attributed to each of Mr. J. A. H. Leigh and Mr. R. Parsons.

Mr. J. A. H. Leigh also held 57,000 shares in a beneficial owner capacity.

(d) See Note (a) under "Interests of Directors and Chief Executive Officer".

(e) See Note (b) under "Interests of Directors and Chief Executive Officer".

(f) See Note (g) under "Interests of Directors and Chief Executive Officer".

2. Aggregate short position in the shares and underlying shares of the Company

As at 30 June 2009, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Interests of Any Other Persons

As at 30 June 2009, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance.

Purchase, Sale or Redemption of the Company's Listed Shares

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 June 2009.

Information for our Investors

Financial Diary

Announcement of interim results	18 August 2009
Interim report posted to Shareholders	31 August 2009
Last day to register for second interim dividend	4 September 2009
Book close day	7 September 2009
Payment of second interim dividend	15 September 2009
Financial year end	31 December 2009

Interim Report

Printed in English and Chinese, available on our website at www.clpgroup.com on 25 August 2009 and posted to Shareholders on 31 August 2009.

Those Shareholders who (a) received our 2009 Interim Report electronically and would like to receive a printed copy or vice versa; or (b) received our 2009 Interim Report in either English or Chinese only and would like to receive a printed copy of the other language version or receive printed copies of both language versions in future, are requested to write to the Company Secretary or the Company's Registrars.

Shareholders may at any time change their choice of the language or means of receipt of the Company's corporate communications, free of charge, by notice in writing to the Company Secretary or the Company's Registrars.

Company's Registrars

Computershare Hong Kong Investor Services Limited

Address:	46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong
Tel:	(852) 2862 8628
Fax:	(852) 2865 0990
E-mail:	hkinfo@computershare.com.hk

Share Listing

CLP Holdings shares are listed on the Stock Exchange of Hong Kong and are traded over the counter in the United States in the form of American Depositary Receipts.

Our Stock Code

The Stock Exchange of Hong Kong:	002
Bloomberg:	2 HK
Reuters:	0002.HK
Ticker Symbol for ADR Code:	CLPHY
CUSIP Reference Number:	18946Q101

Our Contact Details

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	Investor Relations Manager	IR_Dept@clp.com.hk

CLP Young Power Programme Nurtures Future Leaders

CLP Young Power Programme (YPP) has, for the first time since 1999, extended from its Hong Kong base into the Chinese mainland and India. Every summer this leadership programme offers students a unique opportunity to gain knowledge and experience through team work and problem solving exercises.

The success of the YPP comes from the active participation of CLP's engineers, students and schools, local authorities, non-governmental organisations and community leaders, together with partnering organisations such as Junior Achievement Hong Kong. Our thanks go to them all.

For more information, please visit www.clpyoungpower.com

THE WORLD IS IN OUR HANDS

In the face of the challenges arising from climate change the 2009 CLP YPP has adopted the theme of "The World is in Our Hands" – highlighting the need to put the Earth, our home, back in balance through sustainable development. Throughout the programme our young leaders have shown tremendous creativity in their quest for engineering and scientific solutions.

CLP hopes that the programme will help build a pool of young talents with the energy, skill and commitment to keep the world in good hands.

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